

NEWS SUMMARY

GENERAL

Dublin
election
blow for
Haughey

Irish Premier Charles Haughey suffered a setback when his sister-in-law Eileen Lemass failed to win the Dublin West by-election for his Fianna Fail party.

The result raises sharply the prospect of another general election because the Government will still need the support of at least one left-wing MP to secure its majority.

It had been considered an astute move when the Premier persuaded Opposition MP Richard Burke to give up the seat to become an EEC commissioner. Back Page

Israel jets deal

The U.S. intends to sell Israel extra F-16 jet fighters worth \$2.5bn over the next three years, the Pentagon said. Back Page. Swiss to buy Israeli arms. Page 6

Ulster shooting

A police inspector was shot and critically wounded as he sat an exam at Queen's University, Belfast. In Dublin, a 17-year-old youth was shot dead when he answered the front door.

Birmingham siege

A young couple and their three-month-old daughter were taken hostage by a gunman in a siege which followed a Post Office raid in Bartley Green, Birmingham.

New KGB chief

Vitaly Fedorchuk, a member of the Ukraine politburo, has been appointed head of the Soviet KGB security police. He succeeds Yuri Andropov, who has been promoted to a Communist Party secretary.

Reagan man quits

Joseph Churba, a senior U.S. advisor specialising in the Middle East and nuclear arms, resigned from the Arms Control and Disarmament Agency, saying he was disillusioned with the Reagan Administration.

Kenya reform

The ruling Kenya African National Union party proposed that the country change its constitution and become a one-party state.

Newspaper blast

Some offices of the U.S.-owned English language newspaper International Daily News were bombed. A left-wing guerrilla group claimed responsibility.

Abortion poll

Fewer than one in five Roman Catholics support official church teaching on abortion, according to a Gallup poll published by two abortion reform groups.

Kidnap cover

Lloyd's insurance underwriters are launching a scheme offering multi-national companies kidnap cover of up to £25m (£13.5m) on each employee. Page 8

Film awards

The American film *Missing*, directed by Greek-born Frenchman Costi Costa-Gavras and Turkish film *Yol* shared the Golden Palm award at the Cannes festival.

Sting stung

Pop star Sting has given up a home in County Galway after receiving a warning letter telling him to "get out."

Briefly . . .

Four Viking longships have been found by Swedish and Danish marine archeologists in a bay in south west Sweden.

Deaths in the handicapped children's home fire at Aire-sur-l'Adour reached 21.

Summer football pools record of £1,594,437 was paid to 19 winners on Littlewoods pools.

BUSINESS

Gold
prices
slide
'over'

Gold prices are thought to have bottomed out, London's Consolidated Gold Fields says in its annual review. Page 3

In London gold rose \$2 an ounce to \$330.25. The New York Comex June close was \$324.75 (332.9). Page 38

STERLING fell 45 points on the day in London to \$1.8065. It rose to DM 4.19 (DM 4.1775) SFr 10.8625 (SFr 10.8125) and was unchanged at SwFr 3.5425. Its trade-weighted index was 89.7 (89.8). Page 44

DOLLAR rose to close in London at DM 2.236 (DM 2.235), SFr 1.966 (SFr 1.9625) and Yen 240.25 (Yen 240.1). Its trade-weighted index was 113.4 (113.3). Page 44

THREE-MONTH Eurodollar rate finished at 14%, compared with 14% on Tuesday. Page 44

EQUITIES: The FT 30-share index closed unchanged at 580.8 following an uneasy trading session. Page 43

GILTS: The Government Securities Index improved 0.65 to 68.65. Page 43

WALL STREET was down 1.32 to \$27.25 near the close. Page 42

MONOPOLIES Commission said the exclusive franchise system for selling car parts is against the public interest and should stop. Back Page

BRITISH Transport Hotels' managers want to buy all or some of its 28 hotels from the British Rail subsidiary. Back Page

BANK OF ENGLAND deputy governor Christopher McMahon warned international bankers not to overdo caution towards foreign borrowers. Page 8

SOUTH AFRICA's consumer price index reached a record annual 16.5% per cent in April. Page 3

WEST GERMANY's high-temperature gas-cooled nuclear reactor faces financial collapse. Back Page

FOUR oil and gas exploration licences have been awarded in East Anglia, S.W. Midlands and the South East. Page 8

CBI reported a pre-tax surplus of £158,000 last year compared with a loss of £374,000 in 1980. Page 9

DE LOREAN'S Belfast car plant was occupied by up to 400 workers aiming to prevent suspension of production. Page 10

BARCLAYS BANK'S second biggest union wants a 28-hour, four-day week before it will discuss Saturday opening. Page 10

LABOUR PARTY and TUC provisionally agreed that compensation for renationalisation by a Labour Government should be based on the price at which assets were sold. Page 12

TATE & LYLE made pre-tax profits of £15m (£14.4m) for the six months to March 27. Page 28; Lex, Back Page

ALLIED IRISH BANKS improved pre-tax profits to £159.5m (£152.9m) in the year to March 31. Page 28

CAPITAL & COUNTIES, the property group, lifted taxable revenue to £7.56m (£6.93m) in the year to March 25. Page 30

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES
Capital & Counties 121 + 4
Carr (John) 90 + 7
Erskine House 47 + 3
GEC 908 + 8
Gomme 35 + 6
Hawker Siddeley 332 + 8
Kraft Productions 20 + 12
Minster Assets 33 + 5
North (M. F.) 38 + 4
Parker-Knoll A 145 + 4
Plessey 440 + 7
Powell Duffryn 222 + 5

FALLS
Avon Rubber 97 - 4
Midland Bank 320 + 6
Anglo-Vaal £17 - 1
Trans. Coms. Land £17 - 4

DESTROYER AND MERCHANT SHIP SUNK—24 MEN KILLED

Task force losses mount

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE BRITISH task force has lost a quarter of the warships which originally sailed last month for the South Atlantic.

Mr John Nott, the Defence Secretary, told the Commons yesterday that HMS Coventry, a Type 42 destroyer, and the Atlantic Conveyor, a merchant vessel used to transport Harrier jump jets and helicopters, had been lost.

Twenty men were killed on the Coventry and four on the Atlantic Conveyor, he said. Another 20 men on the destroyer were injured but the remainder of the 230 crew were safe on board other task force ships.

The Coventry was the same

FALKLANDS WEATHER:

Wind WNW Force 6-8 (25-35 knots); 12-18ft seas. Rather cloudy, rain or sleet. Temp. low-40s. F. OUTLOOK: Wind mainly W Force 6-7 (25-30 knots); 12-16 ft seas. Rain clearing, becoming cooler with showers. Temp. mid-30s F.

class warship as HMS Sheffield which was lost on May 4. Coventry was apparently bombed to the north of Falkland Sound by Argentine Skyhawk fighters which came in across the land, escaping the warship's radar screen and Sea Dart missiles.

Atlantic Conveyor was reported to have been hit to the north-east of the sound by at least one Exocet missile launched from the Super Etendard fighters which hit the Sheffield in the same way three weeks ago.

The merchant vessel was not carrying Harriers at the time, Mr Nott said.

In answer to a question, however, he refused to say whether it had been ferrying helicopters to the task force. It was carrying important supplies, he said. These are thought to have included Harrier spare parts.

The loss of HMS Coventry brings the total of warships lost in the Falklands so far to

four—including the Sheffield, and two Type 21 frigates lost at the weekend, HMS Antelope and HMS Ardent.

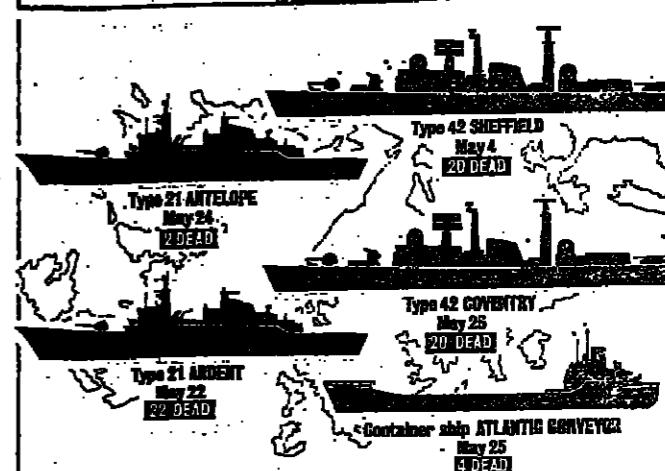
There were 15 warships listed as being in the task force when Mr Nott gave Parliament details of its composition on April 7.

There were reports yesterday that a Type 2 frigate such as the Broadsword had been hit at the same time as the Coventry, but this was not officially confirmed.

Neither was there news of what had happened to the escort ships with the Atlantic Conveyor. It was reported that the Conveyor was near a group of

Continued on Back Page

British Task Force Losses



and seven large and two small helicopters.

Argentina has confirmed that 21 died when the General Belgrano was hit, with more than 120 injured. In the Falklands conflict, apart from those lost in attacks on ships, the largest number, 21, died when Sea Harriers were shot down. Figures have been given for the number of injured. Argentina is estimated to have lost at least 55 aircraft in the fighting so far.

Support for policy sought by ministers

BY PETER RIDDELL, POLITICAL EDITOR

SENIOR MINISTERS

yesterday tried to rally support for their approach to the Falklands crisis

after the naval losses of the past few days while resisting calls for an attack on Argentine mainland bases.

Mrs Margaret Thatcher, the Prime Minister, told the Conservative Women's Conference in London that in spite of "grievous losses our resolve is not weakened."

But Britain indicated that any new negotiation would have to start from scratch, since Britain withdrew its proposals for a settlement last week.

Mr Costa Méndez attacked

Brizuela for its stubbornness

and claimed the prospects for a British victory were fading.

He also warned the U.S. that, if it supplied arms to Britain, "it could create the risk of expanding and not reducing the conflict."

But he claimed that the secretary general had a chance of success. "I think the war is beginning to be so cruel and the numbers of lives lost so high, that public opinion will push governments and the United Nations to a peace."

She said: "We know the reality of war. We know its hazards and dangers. We know the formidable task that faces our fighting men. We must expect fresh attacks upon them and there can be no question of pressing the force commander to move forward prematurely."

Mr John Nott, the Defence Secretary, took the same theme in the Commons and said losses had been expected.

He said: "When a setback occurs there is always a danger that it brings in train undue pessimism about the future, just as success sometimes creates needless euphoria. Neither are justified at the present time."

The only real option we have is to press on for the victory which will make their supreme sacrifice worthwhile."

All the signs at Westminster last night were that this approach snatched the mood of most Tory back benchers. They are generally resigned to losses and some are surprised these have not been greater. They believe that the Task Force should press on to retake the islands.

This view was reflected in the comment of Sir Paul Bryan, MP for Howden, who urged the Government to "keep its nerve

and resolution."

MPs worried about the length of the conflict and the scale of the losses kept their doubts generally to themselves.

A later private meeting of the Tory back bench defence committee was apparently low-key as Mr Nott explained the background and reaffirmed the "don't panic" line.

There were Commons calls from a handful of right-wing

MPs for a direct attack on military targets on the Argentine mainland.

Mr Nott said he was not sure this would shorten the conflict.

He said there were no simple military means of attacking Argentine airfields. It would not rule out such action absolutely but said this was his best judgment at present.

Throughout the conflict senior

Ministers have resisted

proposals for bombing mainland airfields, because of the military difficulties—the likely

downing of aircraft—the political

danger of increasing international criticism and, particularly, possible opposition from the U.S. Administration.

The Labour Opposition was

subdued generally in its comments yesterday, though pressing for the door to be left open

for negotiations, apart from renewed sharp criticism from the sizable minority opposed to the Task Force.

The Social Democrat-Liberal

Alliance is also keen to ensure

that the option on negotiations

should not be closed. Dr David

Owen said that while any cease-

fire should be dependent on a

total withdrawal of Argentine

troops, efforts should be pur-

sued to secure a negotiated

settlement.

This view was reflected in the

comment of Sir Paul Bryan,</

EUROPEAN NEWS

COMMISSION CALL ON MEMBERSHIP TALKS

Tough EEC line urged with Spain

By JOHN WYLES IN BRUSSELS

THE EUROPEAN Commission is urging EEC governments to take a tough bargaining position in enlargement negotiations with Spain next month and to insist on only a five-year transition period for the full dismantlement of tariffs on industrial imports from the Community.

If agreed by member states, this proposition will come as a disappointment to Spain at ministerial-level negotiations in Luxembourg next month. Madrid told the EEC in February that it would need a transition period as close as possible to 10 years because of the manifest disadvantages of Spanish industry in comparison with its counterparts in the Community.

In a 55-page recommendation to member governments, the Commission argues that 10 years would be excessive, even after taking into account the effects of Spain's agreement to introduce a value added tax when it joins.

This undertaking, given in February, was an important concession made in a bid to give fresh momentum to the enlargement negotiations. But it also gave away a bargaining counter which Madrid had

hoped to use to gain the longest possible transition period before establishing a full customs union for industrial goods.

The Commission says it shares some of Spain's anxieties about the consequences of too short a transition period and for that reason is proposing a period comparable to that agreed in previous enlargement negotiations, most recently with Greece.

It recommends that Spain and the Community remove their tariffs in six annual stages beginning with a 20 per cent reduction on March 1 of the first year of Spanish membership, 20 per cent on the following January 1, and then four annual reductions of 15 per cent. This would eliminate all tariffs after five years.

Member governments are also urged to seek a rapid reduction of some of Spain's highest industrial tariffs. The Community has long complained that Spain has failed to deliver on a 1970 trade agreement by reducing some of these tariffs, and the Commission wants Spain to agree to set a maximum 28 per cent ad valorem tariff in the first year of membership.

This would affect about 29 categories of products, including lorries, cars, electric motors, refrigerators, and toys.

As far as quantitative restrictions are concerned, the Commission recommends a maximum of three years before most products whose imports are limited this way should be allowed to enter Spain freely.

The Commission's recommendations seek to tread a narrow line between acknowledging the depth of Spanish anxieties about its industrial future in the Community and avoiding concessions which would be seriously out of line with previous enlargement agreements.

In particular, the Commission notes, the crisis sectors of Spanish industry are the same as those in the Community—steel, shipbuilding, leather and textiles. The prospect of competition from Spanish textiles has prompted some member states to seek some limits on imports from Spain after accession. The Commission, however, comes down firmly against this, arguing that the Spanish product is not much more competitive and that the Spanish industry will have good reason to fear an invasion of textile imports from the Community.

THE EUROPEAN Commission is urging EEC governments to take a tough bargaining position in enlargement negotiations with Spain next month and to insist on only a five-year transition period for the full dismantlement of tariffs on industrial imports from the Community.

If agreed by member states, this proposition will come as a disappointment to Spain at ministerial-level negotiations in Luxembourg next month. Madrid told the EEC in February that it would need a transition period as close as possible to 10 years because of the manifest disadvantages of Spanish industry in comparison with its counterparts in the Community.

In a 55-page recommendation to member governments, the Commission argues that 10 years would be excessive, even after taking into account the effects of Spain's agreement to introduce a value added tax when it joins.

This undertaking, given in February, was an important concession made in a bid to give fresh momentum to the enlargement negotiations. But it also gave away a bargaining counter which Madrid had

Eanes intervenes in labour dispute

By Diana Smith in Lisbon

THE Portuguese President has intervened in a labour conflict that has kept one of the country's main pottery, sanitary ware and tile factories under virtual siege by Communist trade unionists since March.

President Antonio Ramalho Eanes decided to intervene following a request for his help made by the board of directors of the Fabrics de Loira de Sacavem, which employs 1,100 workers at a factory near Lisbon.

He said he has asked to see pro and anti-management workers in a bid to resolve the dispute, which revolves round the issue of a company's right to dismiss employees for unjustified absences from work.

The factory's problems are generally attributed to the post-1975 revolutionary period. Sacavem's workers are represented by particularly militant trade unions which have been losing members rapidly.

In addition, the Commission notes, the crisis sectors of Spanish industry are the same as those in the Community—steel, shipbuilding, leather and textiles. The prospect of competition from Spanish textiles has prompted some member states to seek some limits on imports from Spain after accession. The Commission, however, comes down firmly against this, arguing that the Spanish product is not much more competitive and that the Spanish industry will have good reason to fear an invasion of textile imports from the Community.



Mr Robert Mugabe, the Zimbabwe Prime Minister (left), arrived yesterday for a two-day visit to Belgium. He was met at the airport by his Belgian counterpart, Mr Wilfried Martens (right).

Italy and Libya close to settling trade dispute

By RUPERT CORNWELL IN ROME

THE ITALO-Libyan dispute over trade between the two countries appears to be close to settlement. Rome has agreed to step up its purchases of Libyan crude, at prices reflecting those on the European market.

The excessive cost of Libyan crude, at around \$35 per barrel, meant that ENI and its subsidiary Agip had cut back sharply on purchases since the second half of 1981. The new understanding—assuming it is put into effect—would, therefore, seem to be an important success for Rome.

In retaliation for the cut in oil output, which had contributed to the pressure on Libya's finances, the Tripoli authorities had placed obstacles in the way of the debt repayment. In turn, placing a number of Italian manufacturing companies reliant on business in Libya under strain.

The outline agreement emerged after further talks in Rome between Major Abdusalam Jalloud, the Libyan Prime Minister, and senior Italian Government ministers, including Sir Giovanni Spadolini the Premier.

According to the Italian side, some £1.500m (£650m) of overdue back payments are involved. Libya now is understood to have agreed to cover at once £800m of these, over whose status there is no dispute. The position of the remainder will be decided by a special joint commission which the two countries are to set up by the end of June.

Last week, with crowds blocking the factory, production stopped. This week, 300 hands ran the gauntlet and started work again.

In return Italy has agreed that ENI, the state energy

at least in the immediate future,

Turkey, Iraq to discuss border security

By MECEN MUNIR IN ANKARA

TURKISH and Iraqi officials are to discuss measures to increase security at their joint border post at Habur, which handles about 4,000 lorries daily, and which was shelled by mortars three days ago.

The governor of the Turkish border province of Mardin said that several mortar shells fell near the bridge at the border post in fighting between "two unidentified groups" in Iraq. There was no damage to life and property, he said.

A newspaper correspondent in the region, however, said that guerrillas belonging to the Iraqi Communist party and Kurdish rebels had united to destroy the Habur Bridge, to disrupt Iraq's trade with the West.

After the closure of its Gulf ports and the Syrian border, Iraq has been relying heavily on land traffic through Turkey for its imports.

The correspondent said that Iraqi troops, supported by helicopters, moved in swiftly and killed three men.

Controls on E. German economy tightened

By Leslie Collet in Berlin

CENTRAL CONTROL over the East German economy has been strengthened in recent months by a flood of decrees stipulating that the planning commission, the Council of Ministers and the national bank are to ensure rigid adherence to state directives by factories and industrial trusts.

In an analysis of the measures, the West German Institute of Economic Research (DIW) said that, in the short run, they are likely to improve economic performance. The institute, however, noted that they will lead to an increased bureaucratisation of the economy and will collide with the goals of greater flexibility and increased innovation.

DIW said this increase in central economic power has been at the cost of the giant industrial trusts which encompass most East German factories.

Many foreign observers of the Soviet agricultural scene believe that the real problems of Soviet agriculture derive from the forcible collectivisation of the Stalin years. In effect, Stalin murdered or banished the so-called Kulaks, who were precisely those farmers who knew how to farm under Russian conditions and make money at it.

Ironically, it looks as though nearly 50 years after the suppression of the Kulaks, the party is being forced to take measures which, if successful, will feed the Soviet people better, but create a new breed of rich peasants in the process.

The most important new measures, DIW said, deal with cost control and cost accounting by the central authorities. East German factories will be held strictly to planned costs and will no longer be able to dip into factory funds to make up for cost overruns.

Factories will have to transfer planned profits to the state budget, even if net profits are lower than planned. The factories will then have to use their own financial resources or to borrow money from the state bank.

Research and development is only to be undertaken by the trusts after a minute documentation has been presented to the central authorities. They are to decide whether the expected proceeds will justify the costs.

The national bank and government financial auditors will exercise control. The institute explained that, starting this year, the trusts have been made responsible for achieving plan targets for hard currency earnings from exports to the West. This is designed to reduce the practice of exporting for hard currency at almost any price.

Factories which exceed the annual plan to save energy and raw materials will be allowed to retain greater earnings. But DIW pointed out that, as individual workers will not see any monetary rewards, they will be insufficiently motivated to be less wasteful.

Dutch coalition 'faces tough economic task'

By WALTER ELLIS IN AMSTERDAM

THE PROVISIONAL Dutch Government of Mr Dries van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

Mr van Agt, leader of the Christian Democrats, has agreed in principle on a new interim coalition with Democrats '66, but will need the support of the opposition Liberals if he is to command a majority in the Lower House against the Labour Party and other smaller political groupings.

10/11/1982

Japan's output falling after brief revival

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S industrial production, which fell for four months running before rising by 1.4 per cent in March, has now started falling again, the Government announced yesterday.

The April index for industrial production was 0.9 per cent below the March level and 1.5 per cent below the level of October last year. On a year-to-year basis, however, the index still shows a rise of 2.8 per cent.

The Ministry of International Trade and Industry which compiles the industrial production figures, expects a further 1.8 per cent decline in the index in May followed by a 1.6 per cent recovery in June. This would mean an average monthly fall in production of 0.8 per cent during the second quarter of 1982 compared with the average fall of 1 per cent during the first quarter.

The current recent performance of Japan's industrial production index is put down to the sudden downturn of exports

which had been providing the main thrust for the economy's growth up to last autumn. A sharp decline in export orders left many industries with unexpectedly large inventories. This led to production cutbacks.

The low level of industrial output along with other indications of slackness, has set off a debate in Japan about whether to deflate the economy. The business community opposes inflation on the grounds that any increase in public spending would tend to undermine the effectiveness of current efforts at administrative reform.

An increasing number of voices in the Government are now arguing that some steps should be taken to breathe life into the economy.

The only measure so far taken by the Government was an announcement that 77.3 per cent of public works spending scheduled for the current fiscal year, April 1982 to March 1983 would be completed during the first six months.

Victor launches 'world's smallest video recorder'

BY RICHARD HANSON IN TOKYO

VICTOR of Japan (JVC), the originator of the VHS system for video tape recorders, announced plans yesterday to market what it claimed is the world's smallest video tape recorder, a 2kg machine just over a third of the size of standard portable machines.

The HR-C3 uses the same 1-in-tape as the normal machine or the JVC VHS format but in a smaller cassette. The new machine has 20-minutes playing time, compared with two hours for standard Victor recorders, but the company believes that its lightness will make possible a wide range of uses which are beyond the scope of standard VHS recorders.

One suggested use is the filming of maps and travel "software" for use on car journeys.

HK authorities may buy Deep Bay site

HONG KONG's Government is considering buying from a Chinese-led consortium 53m square feet at Deep Bay in the north-west New Territories Robert Cottrell reports. A spokesman said yesterday that the issue was still under discussion.

The land, at Tin Shui Wai, is owned by a consortium comprising the Peking-controlled China Resources with a 51 per cent stake, locally-quoted companies Trafalgar Housing and Cheung Kong, with 25 per cent and 12.5 per cent respectively, and 11.5 per cent held by other parties.

40,000 Iraqi PoWs
Iran announced yesterday that it was holding more than 40,000 Iraqi prisoners of war in military camps throughout the country, Reuter reports. Some 3,000 arrived in Tehran yesterday by train from the southern province of Khuzestan. They were said to be the first of 12,000 captured in the retaking of Khorramshahr three days ago.

THE INDIAN BY-ELECTIONS

Mrs Gandhi's image is tarnished

BY K. K. SHARMA IN NEW DELHI

IN THE sprawling Himalayan parliamentary constituency of Garhwal in Uttar Pradesh, huge posters showing an open palm are still displayed on the picturesque hillsides. Large letters in Hindi urge "Vote for Mrs Gandhi".

The open palm is the logo of the Prime Minister's Congress (I) Party and the message is more than symbolic. By opting for Mrs Gandhi's safe hand, the voter is being encouraged to strengthen her personally.

The parliamentary by-election in Garhwal was important because it was a battle for prestige. Pitted against Mrs Gandhi's nominee was Mr H. N. Bahuguna, the only Indian politician who has twice deserted the Prime Minister's party and immediately resigned his seat in Parliament on the grounds that his detection disqualifies him from representing his constituency unless re-elected.

In the hustings that preceded polling last week, Mrs Gandhi and her son and heir-apparent, Rajiv, toured the Garhwal constituency for two days each, spending almost as much time there as they did in each of the four states where elections to legislatures were held.

Both repeatedly sought votes not for the candidate but for Mrs Gandhi. Not once was the local Congress(I) candidate a prominent Minister in the Uttar Pradesh Government — mentioned. His name was on no

S. African inflation at record level

By J. D. F. Jones in Johannesburg

GLOOMY WARNINGS by South African forecasters and economists of a sustained economic downturn into 1984 have been reinforced by the news that the country's consumer price index has risen by a record 16.5 per cent.

This figure, for the 12 months to the end of April, is the highest inflation rate since 1920. The Department of Statistics adjusts this figure to 17.2 per cent for upper incomes and 15.1 per cent for "lower earners" (blacks).

There is no reason to expect the rate to decline in the near future. A number of Government-controlled price increases are still either working through the system (such as bread and food prices) or are expected shortly (milk).

Economists are also worried that this South African trend is worsening at a time when the inflation rate in the country's principal trading partners is improving.

The plight of the balance of payments is still causing concern, with exports failing to recover.

Last year the republic ran a balance of payments deficit of R3.9bn. In an interview, the Governor of the Reserve Bank, Dr Gerhard de Kock, recently estimated that the payments deficit in the first quarter of this year was running at an annual rate of R6bn, though he expected this figure to fall back briskly as the year proceeded.

The South African Foreign Trade Organisation recently forecast an 18 per cent rise in non-gold exports in 1982, a 2 per cent rise in imports and a consequent annual deficit of R3.6bn.

The price for the HR-C3 is R159,000 (£369), about £40,000 less than that of JVC's small existing portable tape recorder. Victor says it plans to start exports to the U.S. later this year.

AP-DJ adds: Hitachi said yesterday that it is planning to more than double production of the 64K Ram chip to 2.2m units a month by the end of this year. It had decided to bolster production because of brisk demand at home and overseas.

The single iron bridge which crosses the Red River to Hanoi still bears the scars of high altitude bombing by American B-52s, its twisted girders black with rust.

The bridge is a great leveller. A senior Soviet

official's car, stuck between a

military lorry and an oxen cart

crawling across, is overtaken by

pedestrians and an endless

stream of cyclists. An invading

army trying to take the capital

without a portcullis would grind

to a halt just here.

At Hanoi airport, they are met

by a small contingent of air-

force personnel in baggy uni-

forms carrying bouquets of

flowers. There is something

intimate, like a family home-

coming, about the occasion.

Hanoi airport is a sample of

the country's isolation after

more than three decades of war.

A single building set amid

empty fields. One Soviet air-

liner sits on the tarmac and a

few dozen airport personnel

silently meander around on

bicycles.

Formalities are quick, court-

ous and simple. There are less

than 1,000 foreign travellers in

Vietnam at any one time. If

you have been allowed in, it is

assumed you have been

thoroughly vetted.

The single iron bridge which

crosses the Red River to Hanoi

still bears the scars of high

altitude bombing by American

B-52s, its twisted girders black

with rust.

The bridge is a great leveller.

A senior Soviet

official's car, stuck between a

military lorry and an oxen cart

crawling across, is overtaken by

pedestrians and an endless

stream of cyclists. An invading

army trying to take the capital

without a portcullis would grind

to a halt just here.

At Hanoi airport, they are met

by a small contingent of air-

force personnel in baggy uni-

forms carrying bouquets of

flowers. There is something

intimate, like a family home-

coming, about the occasion.

Hanoi airport is a sample of

the country's isolation after

more than three decades of war.

A single building set amid

empty fields. One Soviet air-

liner sits on the tarmac and a

few dozen airport personnel

silently meander around on

bicycles.

Formalities are quick, court-

ous and simple. There are less

than 1,000 foreign travellers in

Vietnam at any one time. If

you have been allowed in, it is

assumed you have been

thoroughly vetted.

The single iron bridge which

crosses the Red River to Hanoi

still bears the scars of high

altitude bombing by American

B-52s, its twisted girders black

with rust.

The bridge is a great leveller.

A senior Soviet

official's car, stuck between a

military lorry and an oxen cart

crawling across, is overtaken by

pedestrians and an endless

stream of cyclists. An invading

army trying to take the capital

without a portcullis would grind

to a halt just here.

At Hanoi airport, they are met

by a small contingent of air-

force personnel in baggy uni-

forms carrying bouquets of

flowers. There is something

intimate, like a family home-

coming, about the occasion.

Hanoi airport is a sample of

the country's isolation after

more than three decades of war.

A single building set amid

empty fields. One Soviet air-

liner sits on the tarmac and a

few dozen airport personnel

silently meander around on

bicycles.

Formalities are quick, court-

ous and simple. There are less

than 1,000 foreign travellers in

Vietnam at any one time. If

you have been allowed in, it is

assumed you have been

thoroughly vetted.

The single iron bridge which

crosses the Red River to Hanoi

still bears the scars of high

altitude bombing by American

B-52s, its twisted girders black

with rust.

The bridge is a great leveller.

A senior Soviet

THE FALKLANDS CRISIS

Vatican bid to calm Argentine anger

By Jimmy Burns in Buenos Aires

THE VATICAN'S Foreign Affairs Secretary, Archbishop Achille Silverstrini, arrived in Buenos Aires yesterday on a visit principally aimed at pacifying Argentine anger at the Pope's decision to push ahead with his visit to Britain.

Archbishop Silverstrini was due to hand President Leopoldo Galtieri a "message for the Argentine people" expressing the essentially pastoral nature of the papal visit.

The Vatican wants to make sure that the visit will not be interpreted as political backing for British military action in the South Atlantic, at a time when the Church is actively seeking a ceasefire.

Archbishop Silverstrini is expected to prepare the ground for a visit by the Pope to Buenos Aires next month.

The Holy Father fully understands that in the present circumstances he cannot visit Britain without also coming soon to Argentina, if only for a short stay," the Archbishop said soon after arriving in the Argentine capital.

Argentine newspapers quoted Vatican officials as saying that a visit to Argentina would take place between June 10 and 13.

In Rome yesterday Pope John Paul said he was ready to visit Argentina directly after his six-day visit to Britain.

The feelings generated by the announcement of the Pope's visit to Britain were reflected earlier this week in the newspaper Convención which has close links with the navy.

"Latin America finds it difficult to accept that our spiritual leader has decided to forge closer links with Protestant Britain at a moment when we are being subjected to British aggression," the newspaper said.

The popular morning newspaper Cronica said that the Papal visit to Britain had been greeted with disbelief by Argentines who are bound to see it "support for Mrs Thatcher."

The theme was taken up yesterday by Cardinal Juan Carlos Aramburu, who said that the Pope's visit to Britain "had not left a favourable impression in Argentina." Cardinal Aramburu recently joined Cardinal Basil Hume the Archbishop of Westminster in a Mass for peace with the Pope in Rome.

The prospect of the Pope going to London and then on to Canterbury has been a psychological blow for many of the more "hawkish" Argentine churchmen who have interpreted Argentine recovery of the Falklands as a moral crusade against "heretical Britain."

The Vatican is clearly caught in a difficult position. It is aware that to be siding with Britain might run the risk of complicating its influence in the Third World at a time when a number of Latin American countries have rallied to the Argentine cause.

But it is also conscious that a visit to Buenos Aires by the Pope might complicate the Vatican's role as mediator between Argentina and Chile in the Beagle Channel dispute.

Official in Buenos Aires, however, believe that Pope John Paul would take the opportunity to try to secure a more flexible attitude towards the channel from the Argentines.

Junta's air force is long way from giving up struggle

BY JIMMY BURNS IN BUENOS AIRES AND ANDREW WHITLEY IN LONDON

DESPITE THE heavy losses of the past six days, the Argentine Air Force is still a long way from giving up the daily struggle with the British Task Force around the Falkland Islands.

Claims in the House of Commons and the British Press that over a quarter of Argentina's fixed-wing aircraft have been knocked out appear to be considerably exaggerated.

In particular, Brig-Gen Basilio Lam Dozo, the Air Force chief, still has at his disposal most of his slower but low-flying ground attack aircraft — the Pucaras and Aermacchi trainers — which have already done much damage to British warships.

Officially, Argentina admits to having lost only 14 aircraft,

against the figure of 50-60 British claims. Military observers in Buenos Aires believe a more accurate count would be in the range of 30-35.

Of the supersonic aerial combat and ground attack planes in the air force and navy inventories, Britain claims to have shot down a total of 38 — a third of the listed number. Allowing for possible exaggeration which can easily creep into official figures when several warships and ground batteries claim to have scored "hits" on the same aircraft, a realistic estimate would probably be 20 per cent to date.

Eight Pucaras, designed and built in Argentina for anti-guerrilla warfare, are reported by Britain to have been destroyed in the air or on the ground. A further seven helicopters are said to have been destroyed.

In theory, that still leaves Admiral Juan Jose Lombardo, the commander of operations and counterpart to Admiral "Sandy" Woodward, with nearly 70 Pucaras and other light aircraft and 100 helicopters. How many of them are able to be used from bases on the Falklands or the mainland coast is a military secret.

More important for Argentina, in the opinion of military experts, is the high degree of combat readiness of its aircraft and the exceptional ratio of fully-trained pilots to aircraft. In normal times, Argentina's air force probably operates at

about 70 per cent of its theoretical capacity, say foreign diplomats in the Argentine capital — a rate considered good by world standards. Its air force is also considered second only to that of the U.S. in terms of pilot proficiency.

Civilian pilots are being pressed into service to help relieve air force men for combat duty, helping maintain the ratio of four pilots for each aircraft.

Ironically, considering all the attention on high technology technology aircraft and their sophisticated weapon load, the most lethal blows against the British ships anchored near the San Carlos inlet are being struck by straightforward, low-level surprise attacks.

According to military officials

in Buenos Aires, the ships unloading supplies inside the inlet and those standing guard are in a quandary.

The steep hills on the sides of the bay block their radar and therefore allow the Argentine pilots to hide until the last moment before swooping down 16 aircraft instead of flying sorties of three or four fighter-bombers at low level protected by a similar number of interceptors higher up.

On the other hand where British warships move out into the open waters beyond the Falkland Sound, they lay themselves open to long-range attacks from the sea-skimming Exocet missile, as happened to the Atlantic Conveyor on Tuesday. "We have no problems in obtaining the Exocet on the world market," an Argentine

Warning for U.S. from Costa Mendez

By Paul Bets in New York

ARGENTINA'S Foreign Minister, Sr Nicanor Costa Mendez, warned the U.S. yesterday that the Reagan Administration could create a very negative image all along Latin America, and could even create the risk of expanding and not reducing the conflict if it went ahead with arms sales to Britain.

His warning came on the eve of a meeting of the Organisation of American States in Washington today, when Latin American countries are expected to criticise Washington for its conduct in the crisis.

Sr Costa Mendez's warning referred to reports he said he had read in U.S. newspapers yesterday, which claimed that Mr Alexander Haig, Secretary of State, was considering sales of rockets and missiles to Britain. Asked whether he thought the war was going Britain's way, Sr Costa Mendez said the latest facts from the front suggested victory was fading for Britain.

But he added: "This does not interest me, what interests me is Britain's stubbornness which it continues to show and the complete lack of proportion between what it is doing, the way it is conducting this war, and the things that are at stake."

Sr Costa Mendez claimed the UN Secretary-General's new mandate to seek peaceful solution and a ceasefire had some chances of success. That, he said, was "because I think that the war is beginning to be so cruel and the number of lives that are lost so high that I think public opinion will push governments and the United Nations to a peace. As human beings, what we must bear in mind first of all, are human beings, and try to seek peace and to fight for peace, and the cause of peace."

The Argentine's Minister's remarks came as the Security Council was voting on a compromise resolution to give the Secretary-General a formal mandate to renew his efforts to seek a peaceful solution.

Sr Costa Mendez has been in New York since Saturday

Cunard saddened by loss

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE LOSS of the Atlantic Conveyor, the first British merchant ship to suffer in the Falklands hostilities, drew a sad response yesterday from Cunard, its owner.

One member of the 34-man civilian crew was killed and four are missing, including the master, Captain North. Three naval personnel also died. The rest of the 170 people on board were removed to other ships.

"We're very upset and distressed about it," said Mr William Slater, a director of the company.

The container ship was one of

two of the same type built by Swan Hunter on the Tyne about 12 years ago. Atlantic Conveyor is one of four Cunard ships requisitioned by the Government for the task force.

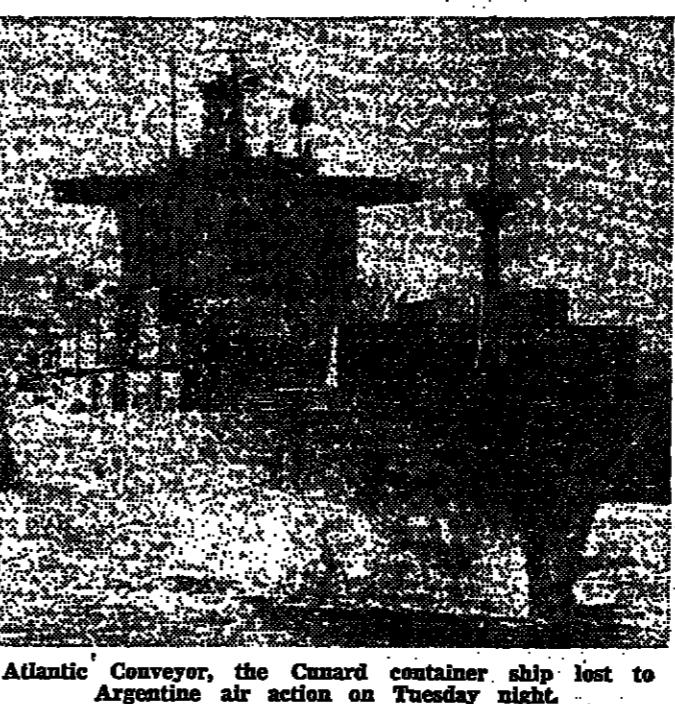
Its abandonment after being

refrigerated vessel.

The Atlantic Conveyor had been laid up in Liverpool for repairs and maintenance before being refitted to take Harrier jump-jets to the Falklands. Its speed was 24 knots and its size 18,500 deadweight tonnes. It could carry 845 container units and 990 vehicles.

The ship was operated as part of Atlantic Container Line, of which Cunard, part of the Trafalgar House group, is a member with Swedish and French lines. Its route was from Liverpool to the U.S. and Canada.

Altogether, over 40 British ships have been chartered or requisitioned to accompany the naval task force. Total fees and other costs so far paid by the Government to shipping companies exceed £30m.



Atlantic Conveyor, the Cunard container ship lost to Argentine air action on Tuesday night.

Sanctions said to be effective

BY PAUL TAYLOR

THE FINANCIAL sanctions imposed by the UK Government on Argentina have been "wholly effective," Mr Christopher McMahon, Deputy Governor of the Bank of England, told foreign bankers in London yesterday.

The deputy governor also rejected criticism that the imposition of the freeze on Argentine assets had damaged the future of London as an international financial centre.

He admitted there were risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

He admitted there were

risks in acting this way, but said: "Nevertheless, it is our belief that the way in which we are administering the controls and the wide international support and understanding that our position enjoys should ensure that the future of London as an international financial centre.

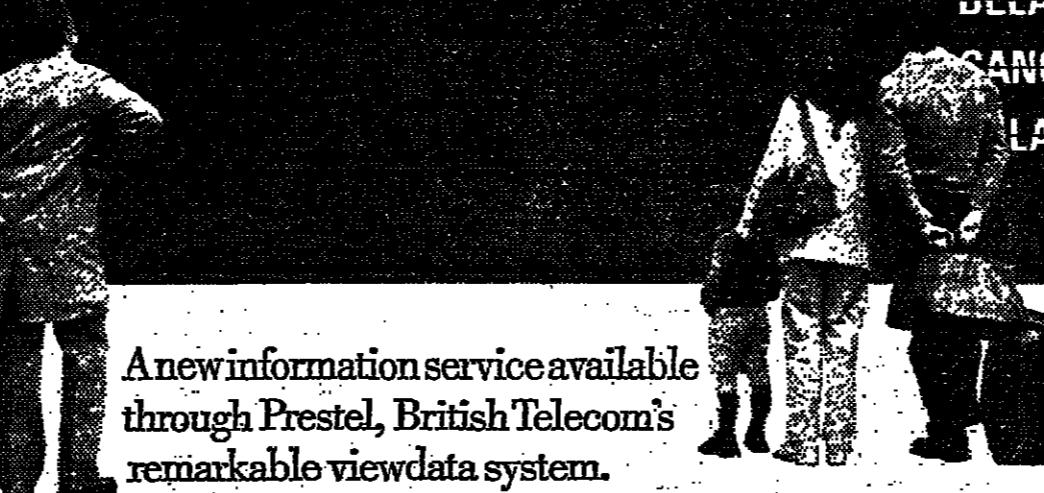
He admitted there were

risks in acting this way, but said: "Nevertheless, it is

Learn the bad news in your lounge, not ours.

Flight	Time From
JK071	17:45 AMSTERDAM
FF293	18:05 PARIS
SZ0481	18:10 EDINBURGH
CG722	18:15 DALLAS/F. WORTH
ES600	18:25 BRUSSELS
PN491	18:30 MADRID
JH233	18:40 SINGAPORE
PN907	18:45 PALMA
CZ161	18:55 MOSCOW
KV282	19:15 STOCKHOLM

will exit from Customs
IN CUSTOMS HALL is shown



A foggy day in London town.
Arriving at the airport and finding your flight has been cancelled is nothing to sing about.

You are sure to miss your first meeting.
You are bound to be late for your second and your third.

There's nothing for it but to fill your pockets with 10p pieces and head for a phone.

At British Airports Authority we cannot do much about the weather, but we try to do something about the inconvenience it causes you.

You can now see our latest flight information before you leave for the airport.

It is not some new feat of laser technology. It is entirely due to SkyGuide.

A new information service available through Prestel, British Telecom's remarkable viewdata system.

If you have a Prestel equipped TV, summon page *2691#. The latest flight news from Heathrow and Gatwick will appear right before your eyes.

The information is constantly updated. At Heathrow it is linked to BAIR, British Airports Information Retrieval system. A 'mini Prestel' we have developed for our own use, and the only system of its type in the world.

Through SkyGuide we will tell you whether your flight is on time. Or whether it is late, and you must call the airline.

Information that will give you the opportunity

Information

CANCELLED		
CANCELLED		
DELAYED	TO	18:40
DELAYED	TO	20:15
CANCELLED		
CANCELLED		
DELAYED	TO	19:50
DELAYED	TO	19:30
CANCELLED		
DELAYED	TO	20:00

to reschedule business meetings. Give you a chance to tell your hotel you'll be arriving late. And give you time to phone friends or relatives who are planning to meet your flight.

SkyGuide is also useful when you have to meet people at an airport yourself; it contains arrival, as well as departure details.

The service was introduced recently.

And a vote of thanks for its birth must go to American Express. Ever mindful of the needs of the business traveller, they have kindly agreed to help provide it.

**British
Airports**



WORLD TRADE NEWS

Japan to approve measures for trade liberalisation

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

A COMPREHENSIVE trade liberalisation package featuring reduction or abolition of tariffs and enlargement of farm import quotas will be formally approved by Japan's economic cabinet tomorrow.

The tariff cuts may cover as many as 50 manufactured items including machine tools, computers, chocolate and confectionery and possibly brandy.

Items to be included in the farm import liberalisation programme were discussed during two days of talks in Washington early this week but are expected to include pineapples, processed pork and tomato juice.

The package will not abolish any of the existing "residual" import quotas on farm products and will not apparently do anything for beef or oranges—two items on which negotiations between Japan and the U.S. are due to start later this year.

The measures are timed to precede the Versailles economic summit between June 4 and June 6, where the Government hopes they may help to deflect explicit criticism from the sections dealing with tariffs and quotas, the package seems likely to contain at least six other sections dealing with matters such as inspection procedures, services, the Japanese distribution system and technology exchange.

However, Japan will accept a

France and Spain share contract in Indonesia

By Richard Cowper in Jakarta

A FRANCO-SPANISH consortium has won the contract to build a \$800m (£444m) extension to the Indonesian Government's giant Krakatau steel complex in Cilegon, West Java.

The plant, a steel cold rolling mill, will be owned and operated by a joint venture between the Indonesian Government and two private Indonesian companies.

A spokesman for the French embassy in Jakarta said that a consortium led by Creusot Loire of France won the Turnkey construction contract in the face of fierce competition from a group of Japanese companies.

He said that the primary contractors would be Secim and Clesid, both of which are engineering and manufacturing subsidiaries of the French steel company. Two Spanish engineering companies, Centenfum and Techilecas Reunidas, would make up the rest of the consortium.

An extremely competitive financial package, is understood to have been one of the major reasons for the European consortium's success.

French export credits at 7.75 per cent per annum over 10 years are likely to amount to approaching \$270m with another \$100m being provided by Spain on similar terms.

The balance is expected to come from a syndicated commercial loan of around \$200m and an equity of \$240m from the three shareholders.

The plant will be 40 per cent owned by Krakatau Steel, around 41 per cent by the Ilem group and the rest by Ciputra, a privately-owned Indonesian construction company.

The Indonesian Ministry for Industry says that the plant will have a capacity of around 600,000 tonnes of steel products per annum and is aimed at helping to make Indonesia self-sufficient.

UK helps Gabonese railway to press ahead

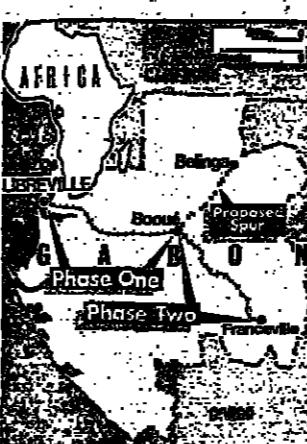
BY MARK WEBSTER

THE ROUTE of the trans-Gabon railway cuts a gaping swathe through the dense forests of the West African interior. Giant earth-moving equipment has beaten a path through the trees, laying bare the red-brown earth of the forest floor, on which the tracks are being laid.

Millions of tonnes of rock have been blasted and dozens of bridges span the rivers. One day, the railway will link the distant corners of the country at Libreville and Franceville.

Much as expected, Eurotrac, the consortium of 18 European companies looks set to win a contract for the second phase of the railway between Boué and Franceville. For the first two, British civil engineering companies, Taylor Woodrow and Wimpey will be represented in the CFA168m (£308m) contract.

The consortium has signed a protocol agreement with the Gabonese Government and the deadline for the final contract is September 15. It is a major breakthrough for the two British companies which have 25 per cent of the consortium into the Gabonese market, traditionally dominated by the French, the former colonial power.



during the first phase had no

British participation.

According to Eurotrac, the problems were largely the fault of inadequate advance studies of the terrain. Under the arrangements for phase one, French contractors had a majority participation while West German, Italian, Belgian and Dutch companies each had smaller shares. The new British share has been achieved at the expense of the French.

To carry out the work, Eurotrac has created its own towns and hospitals, schools, supermarkets and housing. It has, in Gabon 250 cars, 220 lorries and 250 assorted heavy earthmoving vehicles worth an estimated

£17m. Nearly 300 European workers inhabit the four bases which have been built.

M Aunasson did not expect the same sort of problems during the second phase of the railway because the ground work had been more thorough and the consortium was more familiar with the terrain. Nonetheless, it is little secret that Mr Bongo wished to see the British join the consortium and will expect them to keep a firm eye on cost escalations.

If, as is hoped, the railway does reach Franceville in 1987, the Government will then decide whether to build a spur from Boué to the huge iron ore deposits at Bélinga.

In the meantime, the railway is expected to play a major part in helping to exploit Gabon's vast timber resources and will transport manganese from deposits near Franceville.

Although the Government has been alarmed at cost overruns in the past, the trans-Gabon railway has become a symbol of national unity for a country with negligible infrastructure for its size. And as the Gabonese economy recovers from its 1978-80 recession, work will certainly press ahead much faster.

Airlines urged to return to 'realistic fares'

By Michael Donne, Aerospace Correspondent

THE NEED for world airlines to return to an era of "realistic fares" was emphasised in Los Angeles yesterday by Mr Adam Thomson, chairman of British Caledonian. Without fares rises, the industry was "teetering on the edge of disaster."

Mr Thomson, addressing the British American Chamber of Commerce on the occasion of the start of British Caledonian's regular service from Gatwick to Los Angeles, said that unless realistic fares were introduced, the industry would "blanket" international routes at the expense of private airlines.

Storm brewing over U.S. subway deal

BY DAVID LASCELLES IN NEW YORK

A NOISY but predictable storm appears to be brewing in the wake of the New York Metropolitan Transit Authority's decision last week to award the major chunk of its \$1bn (£555m) subway contract to a Canadian company, Bombardier of Montreal.

The only U.S. company to supply the city with over 1,000 new subway cars, was worth \$663m (£368m) and provides for delivery of 825 cars.

The Canadian company won the contract largely because it was able to offer cheap 9.7 per cent government-backed export

Budd is a wholly-owned subsidiary of Thyssen of West Germany, but it claims that it is, to all intents and purposes, a U.S. corporation because it employs Americans and manufactures in the U.S.

The contract, the second and largest of the three-stage plan to supply the city with over

finance.

Budd is now claiming that its tender was \$33,000 cheaper per car than Bombardier's, though financing would have been at higher rates. Budd says that 80 per cent of the work would be done in the U.S. against only 40 per cent in the

Bombardier deal. It also maintains its delivery date of October 1986 beats Bombardier's of May 1987.

The Reagan Administration, also concerned at the MTA's decision, has said from Washington that Budd might have cause

for action under U.S. counter-

walling duties statute.

Any dispute would have to be adjudicated by the Commerce Department. The question at issue would be whether "cheap" export finance would qualify incoming goods for extra duties.

Under a 1978 law, U.S. companies who feel they have been edged out of bidding by export subsidies can also file a petition for similar financing from the U.S. Export-Import Bank, which provides cheap finance for U.S. trade.

Swiss to buy Israeli arms, Begin says

BY DAVID LENNON IN TEL AVIV

SWITZERLAND is to purchase \$220m (£122m) worth of military equipment and services from Israel, according to Mr Menahem Begin, the Prime Minister. This was the first public Israeli confirmation of earlier reports from Europe about Swiss arms purchases.

The Premier said that the Swiss had signed two arms deals which would include the

purchase of sophisticated Israeli designed and produced tank shells which are reportedly among the most advanced in use.

The Swiss Parliament was reported in September last year to have approved the acquisition of arms from Israel. Subsequently, there had been various reports about the type of equipment being sought.

According to one report Switzerland was considering purchasing \$68.5m worth of anti-tank weapons and Israeli-made missiles.

A Swiss Defence Ministry official was quoted in December as saying that his country was examining the possibility of having its "Centurion" tanks reconditioned by Israel.

Despite the secrecy which surrounds international arms sales, the deal with Switzerland, which Mr Begin confirmed while addressing a Bar-Ilan University on Tuesday night, is thought to be the largest Israel has made with a European country.

Israel ranks seventh among world arms sales.



CDC helps overseas countries in the development of their resources, primarily in agriculture, industry and public utilities.

It invests its funds in projects which not only increase the wealth of those countries but also yield a reasonable return on the money invested.

It supports its investments with management and technical services where required.

FINANCIAL RESULTS

	1981	1980	1979
	£m	£m	£m
Gross Revenue	44.0	39.4	36.9
Operating Surplus	36.1	32.7	31.6
Surplus before tax	16.7	14.3	12.1
Appropriated to General Reserve	9.6	10.9	5.7
Commitments at year end	596	516	449
Investments at year end	410	351	313

CDC operates in 47 countries. In 1981 its agricultural projects extended over 165,000 ha of commercial crops, 175,000 ha of forestry and 190,000 ha of ranching land. It was helping 325,000 smallholders to grow their own tree and cash crops on a further 362,000 ha.

Projects to which CDC made new commitments in 1981 totalling £94.7m are expected to provide jobs for 5,300 people on an on-going basis, as well as peak employment of 3,500 during construction. They will also assist a further 150,000 smallholders in tree crop rehabilitation.



Commonwealth Development Corporation

33 Hill Street, London W1A 3AR

CDC's Annual Report and Statement of Accounts 1981 is available from Government Bookshops and HMSO Government Publications Agents. Price £4.00.

Highlights from BHF-BANK's Annual Report 1981

Consolidated Figures (in million DM)

Loans to customers	13,388
Total deposits	12,260
Bonds issued	7,113
Shareholders' equity and reserves	548
Total assets	21,020

The complete Annual Report in German and summarized Annual Reports in English, French and Spanish are available on request.

Managing Partners:
Dr Wolfgang Graebner, Dr. Hans C. Schröder-Hohenwarth,
Klaus Subjetzki, Rüdiger v. Treskow

the Hong Kong and Singapore subsidiaries of the Inter-Alpha Group of which BHF-BANK is a member.

Euromarket activities of the Bank were highlighted by participation in all DM Euro-issues and a substantial increase in private placements.

As one of Germany's top merchant banks, BHF-BANK continued to broaden its traditional relations with institutional investors, both at home and abroad, offering its expertise in German and international securities trading and asset management.

BHF-BANK
BERLINER HANDELS- UND FRANKFURTER BANK

Merchant Bankers by Tradition.
Resourceful by Reputation.

Head Office: Bockenheimer Landstr. 10, D-6000 Frankfurt 1, Tel: (0611) 7181 - New York Branch: 450 Park Avenue, New York, NY 10022, Tel: (212) 546-6500
London Representative Office: 7, Birchin Lane, London EC3V 9BY, Tel: 62239715 - BHF-BANK International, 88 Grand-Rue, Luxembourg - BHF-FINANZ AG, Seestrasse 135, Zurich - Offices: Bogota - Hong Kong - Johannesburg - London - Los Angeles - Madrid - New York - Rio de Janeiro - Singapore - Tehran - Tokyo

Reagan launches attack as budget battle intensifies

BY ANATOLE KALITSKY IN WASHINGTON



PRESIDENT RONALD REAGAN has intensified his struggle with Congress over the 1983 budget, by strongly attacking Mr Tip O'Neill, the Speaker of the House of Representatives and the most powerful Democratic leader in the country.

The President said Mr O'Neill's behaviour in Congress made less sense than the film *Bedtime with Bonzo*, in which Mr Reagan starred alongside a chimpanzee. He accused Mr O'Neill of trying to reverse the mandate of the 1980 presidential election and of responding to offers of compromise and conciliation with demands for nothing short of surrender.

White House officials believe that political developments in the next few days may be decisive for President Reagan's economic strategy. The president intends to pull no punches in his efforts to drum up support for the budget programme sponsored by Republican leaders in the House of Representatives. He believes he will need to deploy his own personality as a weapon against the President's appeal.

However, his campaign to win the support of conservative Democrats before the crucial House budget votes on Friday is not going as well as it did last year.

According to a survey by United Press International, only 10 of the 47 conservative Democrats who voted with the President last year are committed this year to his preferred budget plan.

Ten others intend to vote with the Democratic leadership against the President, while the remaining 27 are still undecided.

The President is conducting a telephone campaign to win them over. Last Saturday he called on

the electorate to write urgently to their Congressmen about the budget. However, Congressional officials suggest that there has been little response to the President's appeal.

As well as denouncing Mr O'Neill personally at a Republican dinner, which raised about \$1m (£555,000) for the party, Mr Reagan vowed that he would make no compromise with the Democrats if this involved going back to the "politics as usual" which preceded his election in 1980.

As the Congressional elections of November approach, Mr Reagan and the Republican Party are doing everything they can to revive the frustration with the Democratic political establishment and the "traditional" economic policies which swept the Republicans to power in 1980.

Fresh study ordered into basing of MX missiles

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE PENTAGON has asked a committee of military experts to go back to the drawing board in search of an invulnerable basing system for the controversial MX missile, one of the key elements of President Ronald Reagan's programme to rebuild U.S. strategic strength. The committee, which first reported last autumn, has been reconvened to give fresh consideration to the so-called "dense pack" basing system, under which perhaps 100 missiles would be clustered in an area of 10 to 15 square miles.

Behind the proposal is the theory that incoming Soviet warheads would have to be aimed to close together that the first one to explode would destroy the others—a concept known to arms experts as "fratricide." The silos would probably also be protected by interceptor missiles.

The committee, chaired by Professor Charles Townes of the University of California,

originally reported that the idea was worth further study. It concluded, however, that the most promising approach was a proposal to base the missiles on a new fleet of giant "big bird" aircraft on continuous patrol over the ocean.

Mr Caspar Weinberger, the Defence Secretary, has long favoured the airborne solution. Mr Reagan, however, is reported to have become convinced recently of the merits of "dense pack" and has directed Mr Weinberger to give it priority.

The failure to come up with a satisfactory basing system has led to difficulties in Congress, which also opposes the Administration's plans to house the MX (temporarily in existing hardened Minuteman silos).

Development of the missile is proceeding, but Congress has indicated that it will not make full funds available for the programme until the basing problem is solved.

Canada to curb growth of newspaper companies

BY JIM RUSK IN OTTAWA

A NEW policy for the Canadian newspaper industry will prevent Southam and Thomson Newspapers, the country's two largest newspaper chains, from expanding.

Legislation will be introduced at the next sitting of Parliament to prevent newspaper chains to grow through purchases or mergers only until they control 20 per cent of the market, according to Mr James Fleming, the federal minister responsible for newspaper policy.

The rule will not be retroactive, but prevent further acquisitions by Southam and Thomson Newspapers, which between them control just under half the aggregate national circulations.

Under the new policy, companies which do not have media holdings will be required to demonstrate to the Restrictive Trade Practices Commission that any newspaper they may

acquire will be managed independently of other company interests.

Newspapers will be prohibited from holding a controlling interest in broadcast outlets in the areas where they are published.

The Government also plans to offer grants to individual Canadian newspapers to establish bureaux outside their home provinces or abroad and Parliament will be asked to set up an advisory council on newspapers to receive complaints about papers and to report on the state of the industry.

The policy was drawn up in response to a Royal Commission report last summer. The commission was created following the simultaneous closing in August 1980 by Thomson and Southam of dailies in Ottawa and Winnipeg, leaving the two cities with only one daily each.

International Thomson result,

Page 34

Under the new policy, competition in service industries.

The Department had been studying for about five years and with increasing concern the trend of newspaper groups acquiring "shoppers" guides. These publications, which have little or no editorial content, are designed purely to advertise local goods and services.

Justice Department officials believe that if, as they expect, their complaint against the Tribune company is upheld in the courts, there will be a curtailment in this kind of takeover activity.

Although the acquisitions involved were small in financial terms and confined to one county in Florida, the action indicates a growing emphasis by the U.S. anti-trust authorities on

Quebec pay freeze proposed

By Robert Gibbons in Montreal

MR JACQUES PARIZEAU, the Quebec Finance Minister, has courted a row with the most militant unions in the province by proposing a wage freeze for about 300,000 public sector employees, including teachers and nurses.

Unless they are prepared to forego wage increases of 14 per cent, already agreed for later this year, Mr Parizeau proposed, when presenting the Quebec budget on Tuesday, to take the rises away again by legislation once the contracts have expired at the end of this year.

Curbs on public sector pay to reduce budget deficits and help to cut an inflation rate of about 11 per cent have been under discussion for some time in Canada. Quebec is the first province to move in that direction.

There also has been pressure for a more general price and wages freeze—an idea which has not found favour with the federal Government in Ottawa. The Canadian Labour Congress, the national trade union federation, has threatened to call a general strike if such a freeze were to be imposed.

Mr Parizeau's budget proposes increases of the provincial sales tax and of taxes on drink and tobacco. It provides for total expenditure of C\$22.7bn (£10.2bn) for the financial year to next March 31.

As well as denouncing Mr O'Neill personally at a Republican dinner, which raised about \$1m (£555,000) for the party, Mr Reagan vowed that he would make no compromise with the Democrats if this involved going back to the "politics as usual" which preceded his election in 1980.

As the Congressional elections of November approach, Mr Reagan and the Republican Party are doing everything they can to revive the frustration with the Democratic political establishment and the "traditional" economic policies which swept the Republicans to power in 1980.

The President is conducting a telephone campaign to win them over. Last Saturday he called on

the electorate to write urgently to their Congressmen about the budget. However, Congressional officials suggest that there has been little response to the President's appeal.

Mitsubishi combines technology and trade to meet new challenges

One of a series of interviews by Mr. Dick Wilson and Dr. Yotaro Yanase

Mr. Yohei Mimura
President

asked Mr. Kayama for a few examples.

Kayama: There is a very small company in West Germany which makes corrugated plastic pipes at high speed and low cost, and the advanced technology for this is now used in Japan to protect electric cables. We were the broker who first got several Japanese companies interested. And a few years ago the technology was licensed in Japan—now more than 50 per cent of electric cable protective pipes in Japan are manufactured with this technology.

Wilson: Is there any example from Britain?

Kayama: There was a small company employing only 22 people with a very useful liquid dispensing pump technology. We have been collaborating with it for 7 years, and we got several Japanese companies interested in it in a big way. And it is still going on, a new advance of the same basic technology is about to appear. But I'm afraid this particular company recently moved to the U.S.

Yanase: What about the reverse flow, of Japanese technology or high technology product to Europe?

Kayama: Well, there is Asahi Glass Ceraroi, a high quality ceramic material, which we are sending to Europe. We are in a particularly good position to evaluate new technology and identify likely markets for it. We are also handling an interesting technology, PAPIA, a composite material between plastic and waste paper, which is in Japan used for auto interior components. Japanese companies, to take another example, may need a particular kind of robotics, and we can tell them where best to find it.

Mitsubishi's Technical Affairs Department deploys almost 40 men, a very high proportion of them being engineers, particularly those involved in the Battelle and transfer of technology teams. There are also other groups doing specific studies in energy, new materials and products.

Yanase: What is the order of priority in the new department?

Kayama: The four main thrusts in our programmes are electronics, biotechnology, advanced materials and energy.

An important aspect of the transfer of technology, in which a company like Mitsubishi can be of such positive help, is modernization of the third world. We asked President Mimura to give some examples of this.

Mimura: We are putting up a power plant at Batam in Indonesia, and for that purpose we are training Indonesian engineers in Japan. The same can be said of telecommunications projects in Latin America, where Mitsubishi Electric is training their engineers.

Wilson: What are some of the new triangular or multi-party deals of yours?

Mimura: Well, there is Asahi Glass projects in Brunei and Sarawak are good examples of how extensive collaboration can be on this kind of project. Besides ourselves, Shell and the two host governments are involved, while most of the equipment comes from Europe. The tankers, for instance, are all French. Similarly, we are collaborating in Kenya with British firms to construct an international airport. Mitsubishi is also working together with American and European companies to develop alternative fuels for the future.

In the old days Mitsubishi needed people who could tell a good bag of coffee or a sound load of wheat from a bad one. Today it needs a man who can choose the right equipment, including new equipment that may never have been used commercially before—and using new materials into the bargain.

It is a very different world, and in which the new department is expected to successfully guide the corporation.

That 40 per cent of total sales which came from the domestic market remains the most important sector for Mitsubishi. Imports account for 32 per cent, 17 per cent by exports and about 11 per cent by offshore trade involving third countries.

It is the domestic business which still make the bulk of the company's profits. But Mitsubishi expects that to change in the future, and it is invoking science and technology toward that end.

Mitsubishi Corporation

Seeking international solutions through trade

Head Office: 6-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan
London Office: Bow Bells House, Bread Street, London EC4M 9BQ

Anti-trust suit against Chicago Tribune group

BY OUR WASHINGTON CORRESPONDENT

THE U.S. Justice Department yesterday sued the Chicago Tribune company for acquiring five weekly newspapers and "shoppers" guides which had been competing with its own local newspaper subsidiaries for advertising.

The move is the Department's first anti-trust action against a newspaper group since 1970.

Although the acquisitions involved were small in financial terms and confined to one county in Florida, the action indicates a growing emphasis by the U.S. anti-trust authorities on

competition in service industries.

The Department had been studying for about five years and with increasing concern the trend of newspaper groups acquiring "shoppers" guides. These publications, which have little or no editorial content, are designed purely to advertise local goods and services.

This is why we have created a new special organization within Mitsubishi to handle the transfer of new technology—not simply buying patents and licences, but organizing research contracts as well. As Japan rapidly shifts to become a net exporter of technology, we must also identify and meet technology needs to advance the industrial capabilities of developing countries.

Nevertheless about 200 to 400 projects have been organized each year through these efforts.

Transfer of technology is the other main pillar of Mitsubishi's new department. It can take many different forms, and we

are looking for opportunities to work with other countries, particularly developing countries, to help them modernize their industries and improve their living standards.

It is a very different world, and in which the new department is expected to successfully guide the corporation.

That 40 per cent of total sales which came from the domestic market remains the most important sector for Mitsubishi. Imports account for 32 per cent, 17 per cent by exports and about 11 per cent by offshore trade involving third countries.

It is the domestic business which still make the bulk of the company's profits. But Mitsubishi expects that to change in the future, and it is invoking science and technology toward that end.

UK NEWS

McMahon urges more flexibility

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

INTERNATIONAL BANKERS were warned yesterday not to be over cautious of foreign borrowers in the wake of debt problems experienced by some leading countries and companies.

The warning came from Mr Christopher McMahon, Deputy Governor of the Bank of England.

"Excessive prudence can be dangerous in some circumstances as excessive exuberance in others," he told the annual Financial Times lunch for the foreign banking community in London.

In a further effort to reassure banks made nervous by the debt problems of countries such as Poland, Romania and Argentina he said central banks still stood ready to inject additional

liquidity into the Euromarket to protect the banking system from failure in the event of debt crisis.

Mr McMahon said the Bank of England had always urged the highest prudential standards in international banking. The concept of prudent behaviour was, however, a particularly subtle one now.

"At a time when banks have been made rather more sharply aware of the risks involved in their exposure to particular countries in difficulties, there could be a problem if they began to withdraw from, or at least to run down their involvement in individual countries, or groups of countries, without a fully-balanced assessment of those countries' positions."

A bank might consider it wise to reduce its exposure to a country beginning to experience debt difficulties, he said. If, however, several banks took similar action this could exacerbate the problems from which they were trying to escape.

"Action by a single bank taken in its own narrow interests can easily prove detrimental not only to its own longer term interest but also to the interests of the wider banking community."

A more widespread difficulty might arise if banks extended this caution to whole groups of heavily indebted countries, he said.

"Any banks which do withdraw support at an inappropriate moment, even if in one particular instance they manage to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

to protect their immediate interest at the cost of precipitating difficulties for others, could find that damage done to their standing in the market might not serve them well in the longer run."

Even

so

JULY 1982

CBI back in surplus for 1981 after 1980's loss

BY JAMES MCDONALD

THE Confederation of British Industry turned a loss of £374,000 in 1980 into a pre-tax surplus last year of £159,000.

Sir John Read, chairman of the CBI's finance and general purposes committee, writes in the annual report for 1981, published yesterday, that the "underlying financial position is healthier than it was a year ago."

Total 1981 income at £7.68m, was £1.1m higher than in 1980. This increase included an extra £233,000 from member subscriptions which the CBI regards as particularly satisfying in view of the "difficult trading conditions experienced."

Sir John points out that the rigorous review of staffing levels in the organisation, which started during 1979, continued in 1981. The result of this review, largely achieved through natural wastage, was that staff costs were actually £2,000 less than in 1980.

The annual report records that throughout 1981 the CBI put considerable emphasis on recruitment of new members and once again a high proportion of the companies to join—54 per cent—came from the non-manu-

facturing sector. This reflected a growing awareness of the CBI's essentially broad constituency says the report, although, "this is also likely to be due to some extent to the generally more difficult trading conditions in the manufacturing sector."

About 300,000 companies, employing more than 12m people, are represented either directly or indirectly by the CBI.

Sir Raymond Pennock, who retired yesterday as president of the CBI after two years, comments in the report: "The last year has seen a much wider recognition of economic reality in our country, which has led to new attitudes towards competitiveness, productivity and wage settlements."

He adds, however, that "there will always be debate about how much of this new recognition of reality is due to comprehension and how much is due to fear of unemployment."

He comments that it must therefore be "a continuing priority of management, as and when the upturn develops, to ensure that comprehension remains the order of the day,

and employees at every level are aware of the basic realities of how profit is earned and distributed."

On employee involvement, Sir Raymond notes that the CBI's survey last autumn revealed some improvement over the previous three years "but the level of employee involvement generally is still nothing like good enough."

Sir Campbell Fraser, 59-year-old chairman of Dundup Holdings, yesterday succeeded Sir Raymond as the CBI's president at the organisation's annual meeting in London.

Sir Campbell has played a leading part in the activities of the CBI for more than 10 years.

He is a former chairman of the organisation's economic situation committee, responsible for the monthly industrial trends survey, and also of the industrial policy committee.

He has also served on the President's Committee—the "inner Cabinet"—since 1978. Sir Campbell is chairman of Scottish Television and a non-executive director of British Petroleum, BAT Industries and the Charterhouse Group.

Fife Airport £1m improvement

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

GLENROTHES Development Corporation's investment in the upgrading of Fife Airport, for use by business and executive aircraft, is expected to reach £1m during the current financial year.

Of this sum, about £500,000 (including £136,000 from the European Regional Development Fund) has been spent on installing a 700-metre, hard runway at the airport, with other improvements.

Among further developments is work on a new road, as a first stage of improved access to an adjacent 40-acre industrial park, intended for companies involved in avionics (airborne electronics) and other aviation activities.

Work on a new 10,000 sq ft hangar and workshop will begin in July. That will cost £300,000, and the installation should be ready for sale or lease by late spring next year.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemp. employed	Vacs.
1981	99.6	88.8	93	106.6	130.5	2,282	100
1st qtr.	99.0	88.9	92	104.7	134.3	2,482	89
2nd qtr.	99.9	89.8	104	105.5	138.1	2,641	96
3rd qtr.	100.3	89.9	88	105.4	168.5	2,752	104
4th qtr.	100.3	90.4	87	103.5	138.8	2,692	97
Sept.	100.3	91.5	94	108.2	147.6	2,828	99
Oct.	101.6	91.5	94	108.2	147.6	2,828	104
Nov.	100.1	90.0	92	105.6	158.4	2,760	104
Dec.	99.7	88.1	79	104.6	193.1	2,769	108
1982	99.7	89.4	96	106.6	141.3	2,817	112
1st qtr.	99.2	88.3	96	107.0	143.9	2,812	112
Feb.	99.7	89.8	101	137.6	2,818	113	113
March	100.2	90.2	106.6	142.3	2,822	111	111
April	99.0	89.0	106.6	129.0	2,850	110	110
May	99.0	89.0	119.0	86.0	79.0	75.0	7.7

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

Consumer Invst. Intnd. Eng. Metal Textile Hous. goods goods output mfg. mfg. etc. starts

	1981	93.6	88.3	117.2	84.2	75.7	76.8	10.9
1st qtr.	93.1	88.7	118.0	84.8	78.7	75.6	81.2	14.1
2nd qtr.	93.5	89.2	118.7	86.3	77.2	75.0	14.2	14.2
3rd qtr.	93.4	90.0	121.3	86.2	82.7	75.6	11.8	11.8
4th qtr.	93.0	90.0	120.0	87.0	79.0	75.0	15.4	15.4
Sept.	95.0	90.0	124.0	87.0	86.0	76.0	13.4	13.4
Oct.	93.0	90.0	121.0	86.0	83.0	76.0	14.1	14.1
Nov.	92.0	90.0	119.0	86.0	79.0	75.0	7.7	7.7
Dec.	92.0	90.9	119.0	86.0	79.0	75.0	7.7	7.7
1982	91.9	91.3	119.4	87.1	83.0	73.7	14.7	14.7
1st qtr.	91.0	91.0	119.0	86.0	80.0	73.0	11.4	11.4
Feb.	93.0	91.0	119.0	87.0	84.0	74.0	15.6	15.6
March	92.0	92.0	120.0	88.0	85.0	74.0	17.1	17.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

Export Import Visible Current Oil Terms Resv. volume volume balance balance balance trade US\$bn*

	1980	4th qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
1st qtr.	123.1	123.1	126.4	111.4	+552	+1,470	+698	99.8	26.73
2nd qtr.	123.4	123.4	126.4	111.4	+592	+1,470	+698	105.1	28.43
3rd qtr.	123.9	123.9	126.4	111.4	+592	+1,470	+698	105.1	28.21
4th qtr.	124.9	124.9	126.4	111.4	+592	+1,470	+698	105.1	28.07
Sept.	129.8	129.8	126.4	111.4	+58	+191	+291	99.6	23.70
Oct.	132.4	132.4	126.4	111.4	+296	+602	+74	98.9	23.32
Nov.	134.4	134.4	126.4	111.4	+79	+227	+205	100.1	23.46
Dec.	130.6	130.6	126.4	111.4	+335	+641	+419	100.4	23.35
1982	119.5	123.4	126.4	111.4	+348	+168	+101.2	22.23	22.23
Jan.	125.4	120.6	126.4	111.4	+654	+270	+106.6	18.97	18.97
Feb.	125.4	120.6	126.4	111.4	+654	+270	+106.6	18.16	18.16
March	125.4	120.6	126.4	111.4	+654	+270	+106.6	18.16	18.16
April	125.4	120.6	126.4	111.4	+654	+270	+106.6	18.16	18.16

Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies net inflow; HP new credit; all seasonally adjusted. Minimum lending rate (end period).

	1981	M1	M3	advances	£m	£m	£m	£m	MLR
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	1,014	12	
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	1,014	12	
3rd qtr.	8.1	18.1	29.7	+5,933	888	2,019	1,014	12	
4th qtr.	14.2	17.2	19.8	+2,240	290	658	1,014	12	
July	14.2	17.2	19.8	+2,240	290	658	1,014	12	
Aug.	14.5	22.5	35.4	+1,240	244	658	1,014		

UK NEWS - LABOUR

Extra 15% rise sought by water workers

By Philip Bassett, Labour Correspondent

BRITAIN'S 22,000 water workers are seeking a special one-off pay increase of about 15 per cent to bring them into line with workers in the electricity and gas supply industries.

Full settlement of the claim, which is in addition to the annual pay deal later this year, would go a long way towards removing the possibility of this powerful group becoming involved in industrial conflict. Details of the claim coincide with reports of increased militancy among members of the largest union in the water-supply and sewerage industry, the General and Municipal Workers Union.

Reports within the water industry indicate a new readiness among normally moderate GMWU leaders to take industrial action over pay this year. The union has held back from taking action in recent years, but the reports suggest that union leaders are ready to take advantage of increasing rank and file militancy.

The one-off claim is part of last year's water settlement, which provided for negotiations outside the annual pay talks about the unions' claim for an improvement in their members' position in the average earnings league table.

These negotiations have started, and the three unions involved — the GMWU, the National Union of Public Employees and the Transport and General Workers Union — have put forward informal proposals to the National Water Council.

The employers have not yet responded, other than to say there is a large gap between their position and that of the unions.

The basis of the unions' special claim is that water workers' pay should be raised into the upper quartile — the top 25 per cent — of manual workers' pay. Union leaders estimate that the rise needed to take them into this position would be about £12 a week, or roughly 15 per cent on basic.

The unions argue in support of their special claim that water is a key industry and an essential service for consumers, that there have been widespread technological changes in the industry, and that manpower is being used more efficiently.

TUC backs health service action

By JOHN LLOYD, LABOUR EDITOR

HEALTH SERVICE unions yesterday buried their differences over the conduct of their campaign of industrial action at a TUC general council meeting, which called on all unions to "build popular support" for the hospital workers' fight.

Mr Len Murray, the TUC general secretary, endorsed the call for support. He said the hallmark of a "moral society" was when the strong aid the weak.

However, both Mr Murray and Mr Albert Spanswick, general secretary of the Confederation of Health Service Employees and chairman of the TUC Health Services Committee, drew back from calling for sympathetic industrial action by other workers or for nurses in picket factories, pits and offices.

Both emphasised that action should be co-ordinated by the Health Services Committee and

should conform to the rules and decisions of the executives of the unions concerned.

Mr Spanswick admitted that there would be spontaneous action by groups of workers. "One can't stop this." But he urged trades councils to consult local health service committees before taking such action.

Left-wing pressure for more militant action was reflected in a call by Mr Jim Slater, the general secretary of the National Union of Seamen. He urged the general council to involve workers in key industrial sectors in sympathetic all-out strikes. Mr Slater was supported by Mr Arthur Scargill, president of the National Union of Mineworkers.

Most union leaders are sympathetic to the health workers' cause but anxious not to over-commit their members at a time

of little obvious militancy.

The general council has therefore urged all unions to agitate for expressions of support from their members and to send delegations on the regional demonstrations planned during the 24-hour health service strike on June 4 and 5.

The National Union of Public Employees' call for an all-out strike will be considered at the next meeting of the Health Services Committee on June 9. Cohe's executive will intensify the action tomorrow.

Yesterday Mr Murray stressed that the row between Nupc and the General and Municipal Workers' Union over the all-out strike call, was due to a "misapprehension."

He said Mr Alan Fisher, Nupc's general secretary, had made it clear that he would act

only in concert with other unions.

Mr Murray said it was "fantastic" that workers in the health service had to take action to have their claim referred to arbitration — a demand which the Government has refused. He predicted that if the Government offered arbitration over the unions' 12 per cent claim the action would be called off.

Mr Spanswick, however, was more cautious. He said such an offer would have to be discussed by the unions. Industrial action would be unlikely to be suspended in any preliminary talks at the Advisory, Conciliation and Arbitration Service.

• The general council agreed to amend the TUC rules to allow unemployed union members to act as delegates to congress.

'Poaching' dispute threatens hospital unions clash

By IVO DAWNAY, LABOUR STAFF

WHILE UNITY in the industrial campaign for health workers was re-established yesterday, a fresh row broke out among unions over recruitment.

The struggle for union recruitment raged in the National Health Service provoked angry accusations of "poaching" at the Union of Construction, Allied Trades and Technicians (Ucatt) biennial conference in Yarmouth yesterday.

Mr Eric Hughes, Ucatt's North West Regional Secretary, warned the National Union of

Public Employees and the Confederation of Health Service Employees not to seek new members among construction and maintenance staff employed by the health service.

He claimed that in three Lancashire hospitals alone Nupc had succeeded in persuading over 100 out of 150 Ucatt members to desert the union in their favour.

Mr Hughes hinted that the hacking of Ucatt in the NHS pay dispute could be jeopardised if "poaching" continued.

Earlier, Mr Arthur Utting, conference chairman, said that the union was recommending rejection of a new 15 per cent pay offer to its 6,000 NHS staff. Consultation with branches on the offer, an improvement on an earlier 4 per cent deal, would take place shortly.

The conference yesterday gave full support to the TUC's campaign against Mr Norman Tebbit's Employment Bill. But there were strong indications that the union's executive council will ignore a call for an

end to participation on tripartite bodies, such as the National Economic Development Council.

A resolution, passed unanimously by over 300 delegates, promised unqualified backing to the campaign including if necessary participation in a national all-union strike.

However, in a speech pledging "broad agreement" with the resolution, Mr Les Wood, general secretary, said any opposition would have to take place within the context of the TUC's campaign.

Kent miners call one-day strike

By MAURICE SAMUELSON

A ONE-DAY STRIKE in the Kent coalfield next week could revive the arguments which caused last year's confrontation between the miners and the Government over the National Coal Board's pit closure programme.

The strike has been called for Wednesday in protest against the board's plan to redevelop part of Snowdown colliery near Dover. The £3.2m plan would involve a two-year halt in production and the reduction of its 850 workforce to about 200.

Snowdown was on the board's "hit list" of 23 pits destined for closure. The Government, after the threat of a national coal strike, gave the board extra

financial help to keep them working.

Union officials said last night that Snowdown was the first of the redeemed pits to come under the axe again and warned that it could become a symbol of miners' revived fears.

Earlier, Mr Jack Collins, the Communist general secretary of the Kent area NUM, accused the Coal Board of "paving the way for the total closure of the Kent coalfield."

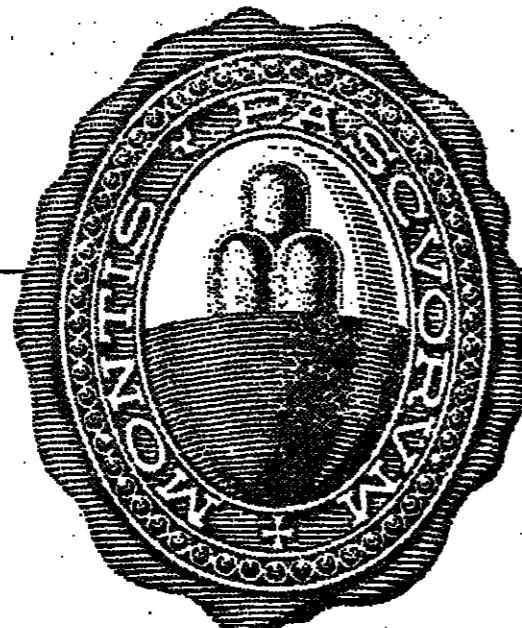
The board, however, maintains that its plan, presented to the Kent miners yesterday, was based on a compromise suggested by the miners themselves. It still would not make Snowdown profitable merely

reduce its losses which last year reached £5m.

The board proposed spending £3.2m on developing a new coal seam. It would take two years to reach it with drifts (sloping tunnels) during which production would be suspended and the workforce reduced.

Voluntary redundancy would be offered to miners 35 years old and over, and alternative jobs would also be offered at the two remaining pits in the Kent field, Bettehanger and Tilmanstone.

One of Britain's smallest coalfields, Kent employs just under 3,000 men and produced 1m tonnes of coal last year.



MONTE DEI PASCHI DI SIENA

Bank founded in 1472

Savings deposits and current accounts	4,583.0
Bonds outstanding	748.5
Reserve funds	424.0
Total available funds	8,525.3
Loans and advances	2,520.9
Security holdings	2,797.2
Net profit	8.2

The "Group"

MONTE DEI PASCHI DI SIENA, BANCA TOSCANA, CREDITO COMMERCIALE, CREDITO LOMBARDO, ITALIAN INTERNATIONAL BANK Ltd. showed, at 31/12/81, total deposits in excess of £13,401 million. Capital Resources amounted to £678.7 million.

Accounts 1981

JULY 1982

Youth training

A REPORT in yesterday's FT wrongly implied that Sir Arthur Armitage, chairman of the Social Security Advisory Committee, had written to the Social Services Secretary urging the withholding of supplementary benefit after six weeks for unemployed school leavers refusing to join the proposed Youth Training Scheme.

Sir Arthur said the committee would be "prepared to see a six-week limitation of benefit for those who unreasonably refuse suitable training on the lines of that which already applies for unemployment benefit." This means that benefit could be cut or withheld for up to six weeks.

Bifu attacks Saturday banking

By Brian Groom, Labour Staff

BARCLAYS BANK'S second biggest union will refuse to discuss the bank's plan to reintroduce Saturday opening unless it is prepared to offer a 23-hour, 4-day week.

The bank is certain to reject this and believes it would require a 20 per cent increase in staff. The Banking, Insurance and Finance Union will urge its 15,000 members among Barclays 70,000 UK staff not to volunteer for Saturday work.

Barclays proposes to open 400 branches on Saturday mornings from the autumn, staffed by up to 4,000 volunteers, at a cost of £10m.

A meeting with Bifu is planned for this morning. "If they reaffirm their rejection of a four-day, 28-hour week we will wash our hands of the whole discussions. We are not going to get bogged down in negotiating rates of payment," said Mr Leif Mills, Bifu general secretary, after a meeting yesterday of the union's executive.

The biggest union at the bank, the non-TUC-affiliated Barclays Group Staff Union has also opposed the move.

Barclays may have to implement its plan in the teeth of opposition from the two unions.

Postal threat on differentials

By David Goodhart, Labour Staff

POSTAL WORKERS will pull out of all productivity agreements with the Post Office unless the differentials between their pay and that of postal supervisors are reduced.

The postal section of the Union of Communication Workers annual conference at Bournemouth yesterday narrowly rejected appeals by the union executive to leave the issue of differentials until next year.

A union spokesman said that, if productivity agreements were abandoned, the recent improvements in the speed and reliability of first-class mail would be threatened.

NOTICE OF REDEMPTION

To the Holders of

SCOTT PAPER OVERSEAS FINANCE N.V.

(now Scott Paper Company)

8 1/2% Guaranteed Debentures Due July 1, 1986

Issued under Indenture dated as of July 1, 1971, as supplemented.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above-mentioned Indenture, \$1,200,000 principal amount of the above-described Debentures has been selected by lot for redemption on July 1, 1982, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

OUTSTANDING DEBENTURES OF U.S. \$1,000 EACH OF PREFIX "M" BEARING SERIAL NUMBERS ENDING IN THE FOLLOWING TWO DIGITS:

05 13 26 33 38 45 47 48 53 63 71 83

ALSO OUTSTANDING DEBENTURES OF PREFIX "M" BEARING THE FOLLOWING SERIAL NUMBERS:

725 1725 2225 3025 4325 5225 5725 7225 7725 10425 11025 11225 13225 13725 17225 19725

On July 1, 1982, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, 13th Floor, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris, Banca Nazionale del Lavoro in Milan and Rome, Swiss Bank Corporation in Basle, Geneva and Zurich, Bank Moe & Hope NV in Amsterdam, Crédit Lyonnais in Paris, Société Générale de Banque S.A. in Brussels and Banque Générale du Luxembourg S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a New York City bank.

Coupons due July 1, 1982 should be detached and collected in the usual manner.

On and after July 1, 1982, interest shall cease to accrue on the Debentures herein designated for payment.

SCOTT PAPER COMPANY

By MORGAN GUARANTY TRUST COMPANY

OF NEW YORK, TRUSTEES

Dated: May 27, 1982

NOTICE
The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF \$1,000 EACH

M- 628 631 637 12689

Are you waiting for a telephone in your car?

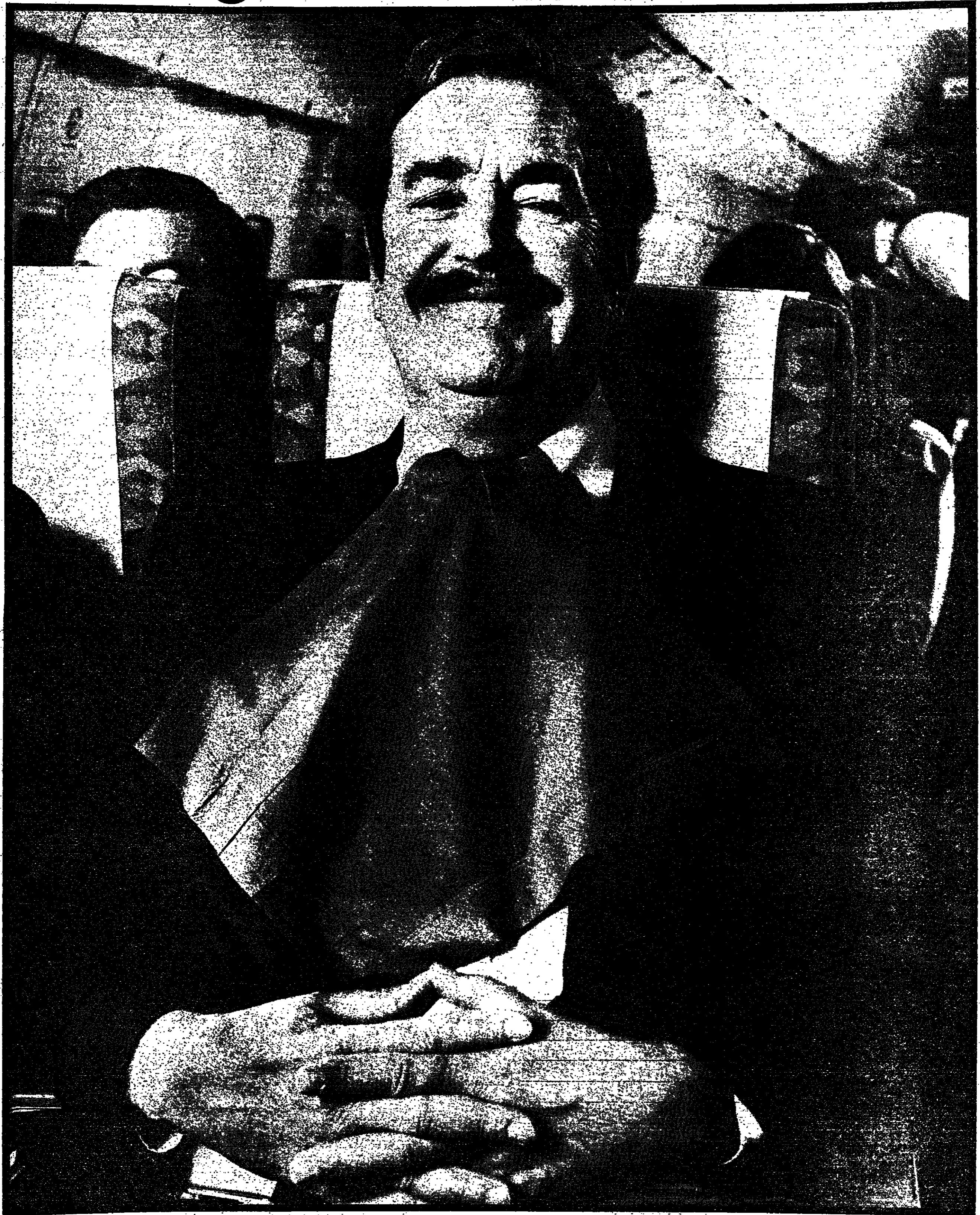


If so, here's what to do.
Marconi
Mobile Radio

Marconi Communication Systems Limited, Mobile Radio Division, Beech Lane, Chelmsford, Essex CM2 9TE. Tel: 0245 73331 Telex: 99201.
The Radiophone equipment illustrated and described here is specially designed and manufactured by Molnia Oy of Finland for Marconi Mobile Radio.



Our planes fly better with a full English breakfast inside them.



Grapefruit, bacon, sausages, mushrooms and tomatoes, tea or coffee.

In short (or rather in full), the traditional English breakfast. As served in British Airways European Club class.

Where would the British businessman be without it? (Apart from another airline).

Some enthusiasts suspect we'd never have split the atom, invented TV, or created

the folding baby buggy without this early morning inspiration.

Admittedly one can detect the sound of tongues being firmly planted in cheeks during these observations.

But there's many a true word spoken in just such jests.

As you've no doubt discovered to your discomfort.

Taking on the continental competition with nothing under your belt but a meagre continental breakfast can spell disaster.

So when you have to leave home at some unearthly hour without eating, make sure you fly British Airways Club.

It's one of the few traditional breakfast clubs left.

**British
airways**

We'll take more care of you.

UK NEWS – PARLIAMENT and POLITICS

Falklands resolve undiminished, Nott says

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

BRITAIN'S resolve to retake the Falklands is undiminished, despite the loss of four warships, and ground troops are now poised to begin thrust on Port Stanley, Mr John Nott, Defence Secretary, told the Commons yesterday.

He warned that there may be more losses on land and sea, but maintained that in general the military objective of repossessing the islands had gone forward exactly as planned.

For the first time, Mr Nott categorically ruled out bombing Argentine mainland bases used by Elstree aircraft for successful Exocet missile attacks on British ships. He made clear that this would be counterproductive and was not militarily feasible.

The House was in a grim mood as the Defence Secretary, with Mrs Thatcher sitting beside him, made a statement on the loss of the fourth British warship, HMS Coventry. He also gave details of the merchant vessel Atlantic Conveyor, which had been put out of action and abandoned.

There was overwhelming support for the Government's policy, but once again there was scattered criticism from the Labour back benches, including an intervention from Mr Tony Benn (Bristol South East).

Mr John Silkin, Labour's defence spokesman, said the whole House and country wanted to see the conflict concluded as speedily as possible.

Heath calls for change in approach to EEC budget

BY IVOR OWEN

A NEW approach to reducing Britain's contribution to the EEC budget was urged by Mr Edward Heath, the former Prime Minister in the Commons last night when he criticised senior ministers for adopting untenable positions.

Ignoring interruptions from anti-Marketeers on both sides of the House, he argued that the Government would never secure a satisfactory solution to the budget on the basis of "what we put in we must get out."

Mr Heath also refused to join the condemnation of the seven member states who last week prevented Britain from invoking the Luxembourg compromise to delay implementation of Community farm price increases until the budget issue had been resolved.

He maintained that as experience in the British Treasury had shown it was not practicable to seek an agreement over the size of the budget which extended over five or seven years.

"It is just not possible to tie the Community down in that way," he declared.

The former Prime Minister, who took Britain into the Common Market in 1973, called on the Government to abandon its "inferiority complex" and place less emphasis on the need for budgetary concessions.

He maintained that the way forward should be to ensure that Britain gained bigger benefits from the Community from grants and loans for industrial development.

Mr Heath urged the Prime Minister and her colleagues not to allow themselves to be manoeuvred into untenable positions which contributed to the alienation of the Common Market and indirectly helped the efforts of those campaigning

Argentina still owes William and Glyn's Bank £3.8m, including interest, for two Type 42 destroyers fitted with Exocet missiles. Lord Cockfield, Trade Secretary, disclosed in the Lords yesterday.

The destroyers were sold to Argentina in 1969. They are sister ships of HMS Sheffield and were built by Vickers at Barrow-in-Furness.

They were covered by the Government's Export Credit Guarantee Department, and Lord Cockfield confirmed in a parliamentary written reply to Lord Brockway (Lab) that if the payment was not received by the bank, The ECGD will be liable to compensate William and Glyn's.

and with the fewest possible casualties.

He sought a Government undertaking that every door, military, financial and diplomatic, would remain open.

Mr Nott said he could give a complete assurance on this point.

For the Social Democrats, Dr David Owen said the Government should be prepared to look at any proposals that firmly linked a ceasefire with immediate withdrawal of Argentine forces and eventual negotiated settlement.

Mr Nott agreed, but also pointed out: "It does need two to bring about a peaceful solution. That remains the problem in this case. The Argentines are

still obdurate and have given no indication that they want a peaceful solution at the present time."

Mr Nott described the loss of HMS Coventry and the Atlantic Conveyor as tragic. But he added: "When a setback occurs there is always a danger that it brings in train undue pessimism about the future, just as success sometimes creates needless euphoria. Neither is justified at the present time."

Substantial attrition of ships, aircraft and equipment had been anticipated when the operation was planned. In spite of the loss of four warships the Task Force had more escorts now than a week ago.

In the past two days 10 more destroyers and frigates had joined the force. Harrier aircraft losses had been much less than expected, and they had achieved complete dominance in air combat and land attacks. In spite of massive movements of merchant ships the Atlantic Conveyor was the first supply vessel to be lost.

Behind the troops ready to move on Port Stanley were another 3,000 men of Number 5 brigade. Meanwhile, reinforcements and supplies were virtually denied to the Argentine garrison.

The morale of British forces was high, and Britain had achieved one of the most remarkable logistic and military operations of recent times in despatching over 100 ships and 25,000 men and women over 8,000 miles.

The Defence Secretary told Mr David Steel, the Liberal

Group formed to oppose unilateralists

BY ELLINOR GOODMAN

LEADING LABOUR supporters of a multilateral nuclear disarmament yesterday launched a pressure group in an attempt to stop the party fighting the next election on a unilateralist defence policy.

The seven members who had secured approval for the farm price deal by a majority vote, overriding Britain's veto, had been right to do so because it was important that those engaged in agriculture, including British farmers, should know their position for the year ahead.

Mr Heath contended that the agreement which Britain had secured earlier was that the farm price package and the budget settlement should be considered in parallel.

"There was no agreement that the price review could be blocked until there was agreement about the budget," he insisted.

Mr Francis Pym, the Foreign Secretary, who opened the debate, was adamant that the over-riding of the Luxembourg compromise by the Agriculture Ministers last week amounted to a "violation of the Community's customary procedures."

Mr Pym made clear that Britain had accepted the budget compromise for 1982, agreed on Monday, in order to prevent a major crisis developing in the Community.

"What we have accepted is a basic refund of £490m which on the basis of the Commission's estimate will make the UK net contribution after refunds one of £390m."

Mr Eric Heffer, Labour's spokesman on European affairs, called on the Government to withdraw Britain's budget contributions until a satisfactory long-term agreement had been reached.

Surgikos is a subsidiary of the giant Johnson & Johnson company, and are involved in the manufacture of infection control products for use in the medical and health care fields. A clean environment, modern facilities, and a conscientious workforce are prime requirements. All of these, they have found in Livingston, from which they now produce a variety of products for export all over the world.

Commenting on the decision to move to Livingston in the first place, a decision now proving highly profitable, Managing Director of Surgikos, Steven Desmond said:

"We're a Medical Products Company and need a clean environment and modern facilities and above all a skilled and conscientious workforce if we're going to succeed. Here in Livingston we found that our output has gained substantially in the last two years with the latest cooperation from our workforce."



Livingston's publicity material says the welcome's warm, the Grants are great. But there's even more to it. Although Livingston has all the financial advantages of New Town status, it is old enough to be fully mature in terms of housing, shops,

Labour and TUC agree renationalisation policy

BY ELLINOR GOODMAN, POLITICAL CORRESPONDENT

THE LABOUR PARTY and the TUC have reached provisional agreement over the formula a future Labour Government would use for renationalising state assets sold by the Conservative government.

The two sides have agreed in principle that compensation should be based on the price at which the assets were sold.

A draft statement, approved by the TUC Labour Party liaison committee this week, states that the next Labour Government would reacquire "at the earliest opportunity, the shares of denationalised concerns by paying for them exactly what the Government received for them when they were denationalised."

No allowance, it says, will be made for inflation, though private shareholders will keep dividends received. Separate consideration, it acknowledges, may be needed for assets split up or resold while in private hands.

The statement still has to be finally approved by the TUC.

Big changes in tax system 'not possible until 1990'

BY RAYMOND SNODDY

MR JOHN GREEN, deputy chairman of the Board of Inland Revenue, said yesterday that he believed substantial changes to the British tax system—such as a local income tax or self-assessment scheme—would not be possible this decade.

To introduce such schemes the tax system would have to be fully computerised and this would not be complete until 1987-88. There then would be a couple of years to bed the new

system down.

Mr Green was giving evidence to the Treasury and Civil Service sub-committee on the structure of personal income taxation and income support.

Mr Green also said that latest inland revenue estimates of the size of the black economy were that it accounted for between 6 and 8 per cent of GNP with a resulting tax loss of about £4bn.

schools, services, and general community structure. There are over 160 companies and 40,000 people already based here.

Livingston is about 10 minutes from Edinburgh Airport, and another 15 from the capital itself. The motorway network is first class, and for those who need to be, we

are within minutes of the ports of Grangemouth and Leith.

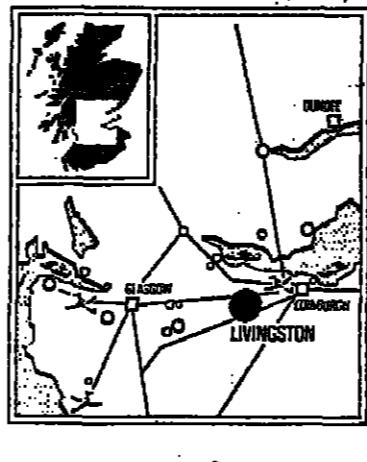
Even Glasgow, in the

West, is only about 1/2 an hour away. But

more than anything, you'll find that

Livingston Development Corporation themselves will bend over backwards to do

everything in their power to make things happen for you.



What more can we say?
Contact James Pollock,
Commercial Director,
Livingston Development Corporation,
Livingston, West Lothian, Scotland.
Tel. (0506) 414177.
Telex 727178.

Speaker suspends Faulds from House

By John Hunt, Parliamentary Correspondent

MR ANDREW FAULDS (Lab Warley East) was suspended from the Commons for five days amidst noisy scenes yesterday, after he accused the Speaker, Mr George Thomas, of failing to call Labour MPs who are opposed to military operations on the Falklands.

When his suspension was put to the vote he received the support of 27 Labour MPs

and 100 Conservative MPs.

"Good morning, good morning," said Mr Faulds, smiling broadly.

"I'm Bill Rodgers canvassing

for the SDP and that's our

candidate over there—Bruce

Douglas Mann, over there in the

chocolate coloured trousers and

a rather nice light jacket, moving

quietly amongst you, listening

to your problems—you now

have a real choice, something

new and exciting in politics, a

man of the highest integrity and

goodness me, isn't that what we

need in this day and age, in

these worrying times."

You sir, what's your opinion

of the Falklands crisis—a load

of rubbish?"

Clearly a very worried voter there ladies and gentlemen, and if you have

worries, there's our candidate

over there, Bruce Douglas Mann,

moving quietly amongst you, waiting

to hear your personal problems.

You sir, you want to say

something? His integrity is not

all it's cracked up to be? How

long have you known him, sir?

How long? Well? I've known

him 32 years and I can assure

you he's a man of great

integrity.

We appear to have found the

only voter in Mitcham and

Morden who doesn't agree.

By this time, the hapless

candidate is well and truly out

of sight behind the bus shelter.

The Bill Rodgers turn with the loudhailer is becoming a feature of SDP by-election campaigns, and is certainly a source of great amusement and enjoyment to the party's canvassers—and possibly to some of the voters.

But Bruce Douglas Mann, a rather shy man who does not

easily accost strangers in the street, gives the impression of

someone being subjected to

cruel and unusual punishment,

shuddering faintly like a butterfly

impaled on a pin, as his

sterling qualities, his matchless

integrity, are landed again and again by the strident voice on the loudhailer.

And if any other SDP MP

should be quixotic enough to

follow his example and resign

his seat to fight a by-election,

the chances are he too will get

plenty of help in his campaign

from the ebullient Mr Rodgers.

The SDP campaign for next week's by-election in Merton

Mitcham and Morden has not

yet got into top gear. The small

band of canvassers are awaiting

reinforcements from their

Liberal partners, who are ex

pected to arrive in large num

bers and swamp the constitu

ency as soon as today's by-elec

tion in Beaconsfield is out of the

way.

But those already there have

covered 25 per cent of the

constituency and deduced, from

the returns, that Mr Douglas

Mann can count on 36.8 per

UK NEWS – THE CROWN AGENTS REPORT

Effects of collapse still being felt

BY PAUL CHESSERIGHT

THE CROWN AGENTS teetered on the edge of bankruptcy in 1974. Only the intervention of government prevented collapse. The effects are still being felt.

Yesterday the Tribunal of Inquiry, set up by the Home Office over four years ago, published its report.

It is highly critical of the way the Crown Agents acted on their own account in the property and secondary banking sectors under the leadership of Sir Claude Hayes, then the Senior Crown Agent, and Mr Alan Challis, then the Director of Finance.

It also points to inadequacies in the system of control provided, in their different ways, by the Ministry of Overseas Development, the Treasury and the Bank of England.

THE Bank of England in September 1973 asked the commercial banks to restrain lending to property developers. It was the start of a financial storm which nearly blew away the Crown Agents and which led 15 months later to the

Government granting the Crown Agents the first £25m of what turned out to be £175m of support.

But the events which led to the Crown Agents' exposure to this storm and their losses of over £200m started seven years earlier. In 1967 the Crown Agents were short of reserves.

There was the impression in the organisation that the Government had disowned responsibility for them.

The traditional activity of the Crown Agents had been the procurement of goods for colonial governments. Gradually this had expanded to take in financial services. From 1965 the Crown Agents acted as a bank. During the 1960s the Crown Agents started investing funds under their control at their own discretion.

Internal papers showed that the Crown Agents wanted to build their own reserves to £7m by the end of 1971. This was the genesis of the Crown Agents' dealing on its own account—dealing which was to take it heavily into property and secondary banking.

The start was tentative. The first borrowing and lending on the money market took place in March 1967. The same year there was the first excursion into equity investment—Television Recordings—and the first venture into merchant banking—ED Sassoona Banking.

Even after the financial climate had chilled in the

REPORT of the Tribunal appointed to inquire into certain issues arising out of the operations of the Crown Agents as financiers on own account in the years 1967-74: House of Lords Paper 149/364; House of Commons Paper 364; HMSO; £16.35.

autumn of 1973 the funds still went out, in the form of support lending to companies under pressure. By then the Crown Agents had no finance director. The seriousness of the position was not appreciated until Sir John Cuckney—then the Minister of Overseas Development, drawing the lesson of what happened without controls a decade ago, has imposed financial targets.

By the end of 1970, the Crown Agents were running what was in effect a banking operation deploying funds of £403m," the Tribunal states. "Nearly all the various activities which later resulted in major losses had been started."

The ratio of borrowing to reserves was high and not the basis of considered assessment, says the Tribunal. And short-term borrowings were being used to finance long-term investments, most markedly in Australia.

Funds were moving to English and Continental, the largest property venture outside Australia, Sterling Industrial Securities, First National Finance Corporation and the Stern Group of property companies.

As the crisis unfolded in spring 1974 three key bodies were involved: the Ministry of Overseas Development, the Treasury and the Bank of England. The Tribunal is critical of them all.

As the crisis unfolded in spring 1974 three key bodies were involved: the Ministry of Overseas Development, the Treasury and the Bank of England. The Tribunal is critical of them all.

banking dealings were put into a separate account. Parliament acted to incorporate the Crown Agents and give it formal status. The Overseas Development Administration, successor to the Ministry of Overseas Development, drawing the lesson of what happened without controls a decade ago, has imposed financial targets.

It was then that steps were taken to bring the situation under control. Government funds made sure that the money entrusted to the Crown Agents' clients remained intact and the traditional business could continue.

The property and secondary

Government 'failed to take action or control activities'

NO-ONE comes out of the Crown Agents story with much credit, the Tribunal says.

The Government knew what the Crown Agents were doing in 1969, and realised in 1970 that if the own account activities went wrong, it would have to stand behind the organisation.

But by 1974, says the Tribunal, "it had failed to take any effective action to investigate or control the activities."

The arms of government seemed never quite sure how to handle an organisation which was a public sector body, that acted like a private sector bank, which was not incorporated, and which as the Tribunal has

posed it "did not fall into any conventional slot."

As the crisis unfolded in spring 1974 three key bodies were involved: the Ministry of Overseas Development, the Treasury and the Bank of England. The Tribunal is critical of them all.

● The Ministry did not press for adequate financial information, and the decision having been taken to stand behind the Crown Agents, did not mount an investigation. "The Government's decision amounted to signing a blank cheque."

Tribunal of inquiry may have cost £2.5m

THE Tribunal of Inquiry started work in April 1975. It was set up by Parliament to find out to what extent there were lapses in professional or commercial conduct arising from the activities of the Crown Agents between 1967-74.

The work leading up to the publication yesterday of its 600-page report is thought to have cost about £2.5m. The chairman was Sir David Croome-Johnson, a High Court judge. The other members were Lord Allen of Alleydale and Sir William Slimmins.

They set out to establish who was to blame for more than £200m of losses. Their remit was wider than that of the Fai Committee, which in December 1977 after 36 months of work reported on the events that led the Crown Agents needing £175m of public funds to prevent bankruptcy.

But there was another inquiry into the Crown Agents in 1971-72. A committee, chaired by Sir Matthew Stevenson, looked at the status of the Crown Agents, particularly its relationship to the Government, and recommended ways of incorporation. The report was not published until 1977.

Report says agents lacked experience

The Crown Agents report concluded that:

The opportunity to develop the own account activities was provided by the unique nature of the Crown Agents. They had no formal constitution, and their accountability was uncertain. They thought they could do what they liked within wide limits. No one outside appeared to be able to tell them not to do so.

The Crown Agents were not equipped to undertake what they did. Their organisation was not adapted to their new activities, and they did not have a staff which possessed the necessary skills or experience. A few had ability, but for what they were now attempting they were on the whole no more

They drifted into acting on their own account without themselves properly appreciating what was involved, without adequately considering the risks and the reserves available to cover them, without resolving the question of ultimate liability, without consulting the Ministry (of Overseas Development), without taking expert advice and without laying down rules for the control of the new activities. They started a large banking operation on a large scale without adequate regard to what they were doing.

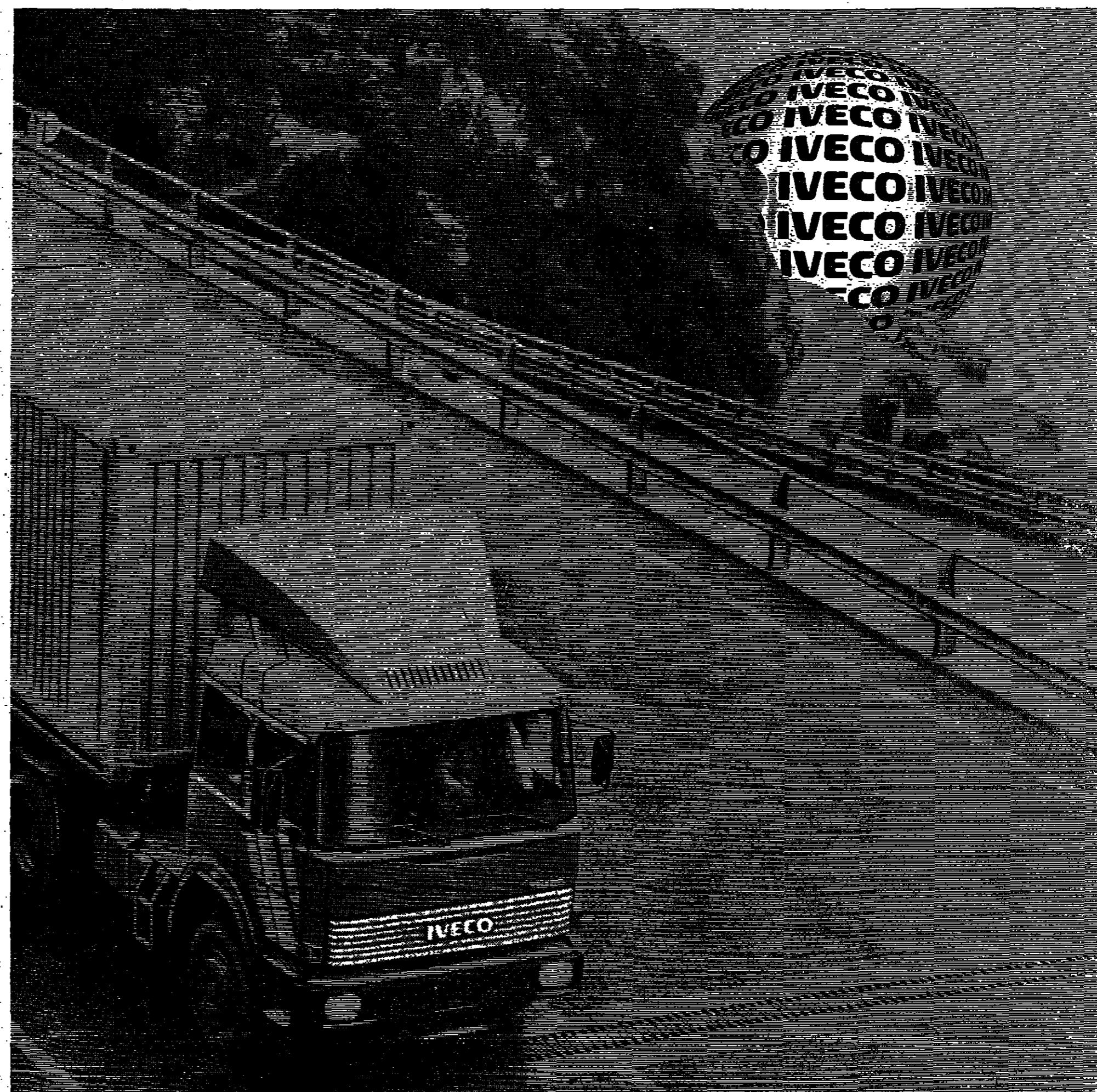
Within the Government, the Ministry accepted that it was responsible for the Crown Agents, although it appreciated that there was also a Treasury interest. It felt ill-equipped to assess or control the financial activities, but, apart from setting up the Stevenson Committee, it never asked for advice from anyone and tended to keep the Treasury at arm's length. The Treasury correctly regarded the primary responsibility as belonging to the Ministry, but accepted that it had a responsibility to prod the Ministry if necessary. The Treasury looked to the Bank for advice on the banking aspects of the problem, and also expected to be warned by the Bank if it felt that the Crown Agents were acting imprudently or that their activities might give rise to a call on public funds. The Bank considered that responsibility for ensuring proper control of the Crown Agents lay with Government, but agreed that it had a duty to advise the Treasury on request and to alert it if it had grounds for concern about them.

The result of these relationships was that there was a great deal of activity, with many papers passing to and fro, which only concealed the fact that nothing was being achieved. Many meetings, both departmental and interdepartmental, were called with no defined purpose and ended without anything having been decided and no course of action having been agreed. The situation cried out for someone to use some common sense, show some initiative, and grapple with the problem. But nobody took the lead.

The underlying failure in the Ministry was that it did not insist on knowing what the Crown Agents were doing. Once it had decided (as it did at an early stage) that the ultimate financial responsibility lay with the Government, it had a right to know the full facts, but it never insisted on its right.

The Treasury, despite its duty to protect the public purse and its knowledge that the Consolidated Fund might be at risk, never sought to insist on the Ministry's getting the information which would have revealed the extent of that risk. It should have appreciated that the Ministry was not coping.

Within the Bank there was some confusion about its responsibilities. We think that this was one reason for its failure to do as much as it should have done. It initiated some enquiries about the own account activities but it did not adequately inform either the Treasury or the Committee about the matters which, in the light of those enquiries, caused



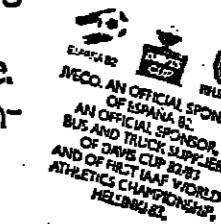
BENEATH THE IVECO SIGN

Iveco heavy goods vehicles. Taking responsibility for moving thousands of tonnes over millions of miles.

Night and day, over all kinds of roads and in all types of climate. These are the practical benefits of Iveco experience—since 1975, a combination of the resources of Fiat, Magirus, Unic and OM.

In today's tough conditions, think Iveco for heavy road transport.

IVECO, A WORLD OF TRANSPORT



TECHNOLOGY

Highlighting the Prestel weaknesses

BY ALAN CANE

A COUPLE of years ago, Mrs Margaret Thatcher had her first "hands-on" experience of Prestel in the London offices of Logica, the software and systems company.

She was clearly impressed with the demonstration and asked to be shown the weather forecast, perhaps to lighten the mood after a series of frames illustrating the UK's economic performance.

The demonstrator went through the elaborate search procedure, narrowing down the subject area with each set of key-strokes. Somewhere, he made a tiny error, the search sequence was ruined and the only chance of recovery was to start from the beginning again.

It was out of the question. Mrs Thatcher was making her first visit as Prime Minister to the computing services industry and time was at a premium. Hurriedly, she went on to the next demonstration.

This anecdote illustrates one of the greatest weaknesses of the Prestel system—finding the information required is time-consuming and laborious.

The point is hammered home in a new report on Prestel commissioned and published by the National Consumer Council.

Its author, Professor E. Scott Maynes of Cornell University in the U.S., says bluntly that the present tree-system for searching the Prestel database should be discarded.

He writes: "This is a drastic recommendation, especially as the tree index was conceived as a simple to use index (the concern of its creators for simplicity is evident; but there is no evidence of matching concern for the money and psychological costs this index imposes on users.)

He goes on: "Prestel was conceived for self-operation by users in their own homes. The difficulties encountered in this investigation raise the issue of whether this mode of access is optimal or even feasible."

He is no happier about the printed index: "This is unsatisfactory and should be revised greatly and expanded."

The Scott Maynes report will add further fuel to the controversy over Prestel, hailed as a

major UK breakthrough in bringing computerised information services to the public at low cost, the service, run by British Telecom, has steadfastly refused to fulfil the expectations of its designers.

Briefly, Prestel consists of a large computer which stores a large amount of information in its memory organised into "pages" which fit on the screen of a domestic television set.

The Prestel computer can be dialled using the domestic telephone; pages of information called up using a calculator-like keypad.

The information is transmitted from the Prestel computer to the home over the telephone lines and displayed on the television screen.

It is cheap computing for the general public. What BT failed to anticipate was the lack of demand for information at a price in the home. Later marketing strategies have placed the emphasis on selling to the business community.

On costs, Professor Scott Maynes argues that Prestel time charges of £4.74 an hour at peak

and £1.06 in cheap periods are no great obstacle to the business community: "Certainly, businesses know how to deal with them."

If the benefits they receive are judged to exceed £4.74 or £1.06 respectively, then businesses will instal Prestel receivers (an additional fixed cost) and recover all these costs from their customers."

But for the domestic consumer, Professor Scott Maynes believes that these charges will be seen as a substantial impediment to use.

He identifies the fact that most people see information of the kind provided on Prestel as a free good: "These costs are charges the user must pay in vivid contrast to most of the information sources that consumers presently use."

The report is critical of the quality of many Prestel files: Professor Scott Maynes says his investigations clearly show that many files were not tested before placed on the database: "It would seem imperative that every file is tested before it is introduced."

He asks for a monitoring

system to check the quality of the files on a random basis but queries who should undertake that role and how it should be financed.

The natural candidate, British Telecom, has from the very start of Prestel eschewed the role of monitor. Even if BT had not taken this position, any others sensitive on matters of civil liberties, regard errors as preferable to possible censorship or dictatorship."

He proposes that BT or the information providers might set up a small organisation (one or two people) who, under the control of a committee elected by the information providers, would carry out and report on checks of the quality of Prestel files.

The report calls for more research into ways of making Prestel simple to use—key word searches using several key words simultaneously might solve domestic consumer's search problems, it suggests.

Certainly such a system might have warned Mrs Thatcher that conditions would continue cold and unseasonable with squalls ahead.

Plasma plant for steel recovery

By WILLIAM DULLFORCE in Stockholm

SKF STEEL ENGINEERING, a subsidiary of the Swedish Rolling Bearings Group, is to build a Kr150m (£14.4m, \$26m) plant using plasma technology to recover valuable metals from the baghouse dust from the steel industry.

The plant, described as the first of its kind in the world, will be situated at Landskrona in south-west Sweden. With an annual capacity of 70,000 tons a year, it will primarily serve Scandinavian steel works but should also be able to receive dust from mills on the Continent.

The plant will be used to transform gases are transformed when heated to very high temperatures.

Plasma generators were developed during the U.S. space research programme to simulate the temperatures to which the nose cones and heat shields of space capsules would be exposed. SKF Steel has adapted plasma generators for metallurgical reduction processes.

A separate company, Scansteel, is being formed to manage the Landskrona plant which is scheduled to start operating towards the end of 1984. SKF is investing Kr 20m in share capital.

Further Kr 23m will be invested by Landskrona Finans, an investment company established by southern Swedish banks and companies to provide new industries for Landskrona, where the main employer, The Oresund shipyards, is being closed down.

The Scansteel plant will be installed in the yard building for its plasma technology.

is the state of ionisation to which gases are transformed when heated to very high temperatures.

Plasma generators were developed during the U.S. space research programme to simulate the temperatures to which the nose cones and heat shields of space capsules would be exposed. SKF Steel has adapted plasma generators for metallurgical reduction processes.

A separate company, Scansteel, is being formed to manage the Landskrona plant which is scheduled to start operating towards the end of 1984. SKF is investing Kr 20m in share capital.

Further Kr 23m will be invested by Landskrona Finans, an investment company established by southern Swedish banks and companies to provide new industries for Landskrona, where the main employer, The Oresund shipyards, is being closed down.

The Scansteel plant will be installed in the yard building for its plasma technology.

Viewers pronounce 3D TV a success

THREE-DIMENSIONAL TV (it reared its head with the latest Philips experiments in Holland, this page April 20) apparently proved popular with TV viewers on May 4.

Philips provided 3D cameras and red and green spectacles for the TV's 3D broadcast of the network's "Real World Science" programme.

The Philips follow-up survey claims that more than 1m

viewers forsook Crossroads; a quarter of the people in the TVS area took the trouble to watch and about two-thirds used their 3D specs.

Eighty per cent thought the 3D effect realistic, 77 per cent thought it was a good picture.

About half the people surveyed thought that 3D in colour should be the next main TV development but 40 per cent were impressed and 80 per cent thought it had great TV potential.

Philips says that "men and younger people were the most impressed." Almost 90 per cent said that if a 3D feature film was shown they would probably watch.

Eighty per cent thought the 3D effect realistic, 77 per cent thought it was a good picture.



Aluminium scrap recipe for turning out high value radiator tubing

THE Springfields Laboratory near Preston has a recipe for turning aluminium scrap into big money. First, take your scrap and grind it to powder in a standard comminuting machine in a corner of the factory. Then, put the powder into a specially modified Conform extrusion machine. Within minutes, you can produce yards and yards of perfect, high value tubing or strip.

It can be sold as tubing for commercial or private vehicle radiator manufacture. It could be curtain railing, carpet edging or draught excluder strip, dependent on the set of dies used in the machine.

Whatever the final product, the Springfields Laboratory, forming part of the Northern Division of the UK Atomic Energy Authority, claims energy savings of up to 98 per cent in comparison with conventional methods of recycling aluminium, or copper, scrap. This British technique is now ready for demonstration by the Laboratory's Advanced Metal Forming Group.

Normally, scrap from aluminium alloy stampings or extrusions is collected from a factory by a scrap merchant, who delivers it to a recycling plant, where it is melted down and cast into billets or rods. These are then sold on to factories that extrude with

heavy presses.

Each stage of this process demands considerable consumption of fuel for transport, melting and extruding. If a factory can convert its own scrap into a valuable end product on its own premises, there are huge savings.

Continuous

The breakthrough has been made possible by the UKAEA extrusion system which feeds powder or granules via a grooved wheel, forcing it against a die shoe, so that the very friction causes the metal to flow into the dies.

The process is continuous, so any length of product can be extruded to very accurate dimensions.

The laboratory is now keen to develop the process in co-operation with manufacturers of aluminium or copper extruded products or with scrap

recycling companies that might wish to move straight into the finished goods market.

The Conform machines are made under licence in the UK by Babcock Wire Equipment of Ashford, Kent, and Holton Machinery of Poole, Dorset.

More on 0772-728262.

Installed for the Yard's

fingerprinting branch, Focus will

London police choose Logica Focus system

FOLLOWING YESTERDAY'S

story on this page about the De La Rue purchase from Rockwell Corporation of Printak, the U.S.-based computerised fingerprint matching system, one of Britain's leading computer systems/software houses, Logica, has announced that its Focus system has been chosen by London's Metropolitan Police.

This is Logica's first sale of the system and it is worth £1.5m; it will make an excellent basis for the sale of Focus to other police forces. It is the culmination of a 10-year research programme carried out by a joint team from the Home Office and New Scotland Yard.

Installed for the Yard's fingerprinting branch, Focus will

be able to store some 650,000 prints and 100,000 "marks" which are partial prints obtained at the scene of the crime. The speed of the system will enable 200 to 300 marks to be matched daily against the prints held in store.

The fingerprint officer sits at a work station where he can introduce prints and marks with associated data on crime type, location and pattern classification.

Prints and marks are scanned, stored and coded in terms of their ridges and features for computer comparison. However, with marks the officer can apply his own judgment on an editing screen to assist the machine.

Fire door magnet

A RANGE of ac and dc magnets designed to hold open fire doors has been introduced by Clarke Instruments of Camberley, Surrey. The assembly is 48 mm in diameter. The ac version dissipates 5 watts at full setting with a maximum holding force of 20 kg. Details on 0776 27105.

Check on judder

PREDICTING THE probability of judder in the rotating and slewing mechanisms of cranes, manipulator arms or other gear-driven machinery is the subject of a leaflet by Frazer-Nash Consultancy. Copies are available after a call to 01-977 0051.

New Issues

May 26, 1982

Federal Farm Credit Banks

The Thirteen Banks for Cooperatives
The Twelve Federal Intermediate Credit Banks
The Twelve Federal Land Banks

Consolidated Systemwide Bonds

12.90% \$1,656,000,000
CUSIP NO. 313311 GD 8

Dated June 1, 1982 Due December 1, 1982

13.25% \$1,484,000,000
CUSIP NO. 313311 GK 2

Dated June 1, 1982 Due March 1, 1983

Interest on the above issues payable at maturity

14.00% \$504,000,000
SERIES-I 1986 CUSIP NO. 313311 HS 4

Dated June 1, 1982 Due April 21, 1986

Interest payable October 22, 1982 and semi-annually thereafter

14.10% \$450,000,000
SERIES-C 1990 CUSIP NO. 313311 HT 2

Dated June 1, 1982 Due June 1, 1990

Interest payable December 1, 1982 and semi-annually thereafter

Price 100%

The Bonds are the secured joint and several obligations of The Thirty-seven Federal Farm Credit Banks and are issued under the authority of the Farm Credit Act of 1971. The Bonds are not Government obligations and are not guaranteed by the Government.

BONDS ARE AVAILABLE
IN BOOK-ENTRY FORM ONLY.

Federal Farm Credit Banks
Fiscal Agency
90 William Street, New York, N.Y. 10038

Peter J. Carney
Fiscal Agent
James A. Roll
Deputy Fiscal Agent

This announcement appears as a matter of record only.



Provided by

The Industrial Bank of Japan, Limited
Nippon Life Insurance Company

The Nippon Credit Bank, Ltd.

Mitsui Mutual Life Insurance Company

The Dai-ichi Mutual Life Insurance Company

The Mitsui Trust and Banking Company, Limited

Asahi Mutual Life Insurance Company

The Meiji Mutual Life Insurance Company

Managed by

The Mitsubishi Trust and Banking Corporation

Co-Managed by

The Industrial Bank of Japan, Limited

The Bank of Tokyo, Ltd.

Nippon Life Insurance Company

The Chuo Trust and Banking Company, Limited

The Toyo Trust and Banking Company, Limited

Provided by

The Yasuda Trust and Banking Company, Limited

The Chuo Trust and Banking Company, Limited

The Toyo Trust and Banking Company, Limited

Agent

The Mitsubishi Trust and Banking Corporation

April 1982

This advertisement appears as a matter of record only.

Her Majesty the Queen in Right of New Zealand

¥15,000,000,000

Term Loan

Provided by

The Mitsubishi Trust and Banking Corporation

The Bank of Tokyo,

Accountancy Appointments

Jeffrey 150
ACCOUNTANCY APPOINTMENTS
ARE CONTINUED ON FOLLOWING
PAGETAX PARTNER DESIGNATE
LANCASHIRE

A.C.A. 30+

Our client, a medium sized firm of chartered accountants with offices throughout the United Kingdom, is seeking to recruit a Tax Partner to service the firm's Lancashire practice. Candidates should be aged from 30, be qualified chartered accountants and have some years' post-qualified experience at manager level in corporate tax with a good working knowledge of personal tax.

Clients range from small family businesses, partnerships through to a number of publicly quoted groups. Prospects exist to early salaried partnership and full equity partnership in the medium term.

For more information please telephone, or write with a c.v. to George Ormrod B.A. (Oxon) at our London office quoting reference 3671.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS
LLAMBIAS
Douglas Lambias Associates Limited
Accountancy & Management
Recruitment Consultants



Management Accountants

S. England

N. England

Service Industry • £13,000—£14,000+car

These two new appointments represent unusually attractive opportunities for young accountants to fully participate in the decision making process of an energetic growth minded company which is a leader in its field.

The role will be extremely broad in scope, fully involved in all aspects of the business, reporting to a Board member. Basic financial information is already available enabling you to concentrate on the quantitative task of investigation, analysis, and interpretation leading to the formulation of financially sound business recommendations.

The demanding and challenging nature of the role

JOHNSON
WILSON MANAGEMENT
SEARCH

TOP CALIBRE YOUNG ACCOUNTANT

c. £16,000 + Benefits

A Brand Leader in Consumer Goods is searching for an accountant (26-31) who can be regarded as a candidate for a senior financial appointment. Although technical expertise is essential the successful candidate will show:

- highly developed commercial awareness
- experience in or alongside marketing and manufacturing
- skill to motivate and lead people
- ability to think creatively and wield a 'sharp pencil'
- desire to get things done

The specific management position which will be offered will provide the successful candidate with an opportunity to demonstrate personal high achievement levels. The Company offer an excellent salary and benefit package including relocation expenses, if applicable to the West of London.

Interested applicants should submit full career details quoting ref. 824 to Nigel Hopkins F.C.A. at 31 Southampton Row, London WC1B 5HY. Telephone 01-405 0442.



Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

CONTINENTAL BANK

Qualified Accountants
International Audit

The Continental Illinois National Bank and Trust Company of Chicago is a major international bank with European Headquarters in London and an extensive network of branches and subsidiaries worldwide.

We require recently qualified Accountants (ACA/ACCA) to join a small team responsible for providing financial and operational auditing services to our European network. Management potential is developed by exposure to internal and external courses and there are excellent prospects for a career in mainstream banking.

The position will involve approximately 60% travel and offers an attractive salary and first-class benefits including subsidised mortgage and personal loan facilities and non-contributory pension scheme.

Please send detailed c.v. or telephone for an application form to:

Personnel Dept.
Continental Illinois Corporation,
Continental Bank House,
162 Queen Victoria Street,
London EC4V 4BS.
Tel: 01-236 7444.

Continental Illinois National Bank and Trust Company of Chicago
In Europe: Amsterdam, Antwerp, Athens, Belgrade, Brussels, Frankfurt, London, Madrid, Milan, Paris, Prague, Thessaloniki, Zurich.

Financial Controller

Holborn Solicitors
to £17,000 + car

This is a new position with a substantial and respected firm of over 20 partners. In common with other professional practices, the importance of the financial aspects of their work has increased, demanding closer attention and control.

Reporting to a partner, and working closely alongside the Partnership Secretary, the Financial Controller will focus on accounting, financial planning, management information, cash control and taxation. The accounts function has about 8 staff, and computerised systems are being introduced.

Arthur Young McClelland Moores & Co.
A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Candidates must be qualified accountants in their thirties with relevant experience gained within or outside the profession. Intelligence and creativity are essential personal qualities, together with the personality to establish this job as an executive rather than support role.

Please reply in confidence giving concise career and personal details and quoting Ref. ERS40/FT to J.J. Cutmore, Executive Selection.

Arthur Young McClelland Moores & Co.,
Management Consultants,
Rills House, 7 Rills Buildings,
Fetter Lane, London EC4A 1NH.

P. S. REFSN & CO.
LIMITED

CORPORATE FINANCE

A career opportunity has arisen for an outstanding Chartered Accountant to join the corporate finance department of a merchant bank.

The ideal candidate will have several years' experience in commerce or industry, at a senior level, after having qualified with one of the larger international firms and now be seeking a more challenging role offering greater responsibility in a stimulating environment.

It is vital that candidates possess the character, personal skills and discretion necessary to successfully develop relationships with the bank's clients in the United Kingdom and overseas.

The remuneration package will include all the normal benefits associated with a bank and will satisfy the most ambitious.

Please reply fully, in confidence, to:

Tom Forsyth, C.A.
Corporate Finance Manager
P. S. REFSN & CO. LIMITED
13 Austin Friars, London, EC2

Manager
Financial Accounting

c. £15,000

Central London

The Company operates a fast-moving national distribution network specialising in food products. It is a household name, and is organised on a profit centre basis linked to well developed budgetary control systems. Annual turnover is substantially over £100 millions.

This entirely new position has been created to improve the management and effectiveness of the Accounting Department of this UK subsidiary of a major international business. The manager will report to the Chief Financial Officer and act as his immediate deputy. He, or she, will assume direct responsibility for all financial reporting, consolidated accounts, taxation, treasury matters and the application of systems and methods within the financial area.

Candidates must be chartered or certified accountants with first hand experience of all aspects of financial accounting and controls, preferably related to computer based systems, who can clearly demonstrate drive, initiative and leadership capabilities. It is unlikely that anyone under the age of 30 will have sufficient experience for this position.

The salary is negotiable, according to the extent of successful practical experience. The benefits include a contributory pension scheme, free life assurance and private medical cover.

This appointment is being handled by the Chief Financial Officer. Please write in confidence, giving concise career and personal details, and listing separately any companies to whom your application should not be forwarded, to John M. Pollock.

LONSDALES RECRUITMENT ADVERTISING

LONSDALES
Hesketh House, Portman Square,
London W1H 9PG

Financial Controller

WEST OF IRELAND

- Our client, Asahi Synthetic Fibres (Ireland) Ltd., is a leading multi-national manufacturing company. It employs about 500 people in Killala, Co. Mayo, and produces mainly for export markets. The operation is well established and the above vacancy has now arisen.
- Reporting to the Managing Director, the appointee will be responsible for the company's overall financial and accounting functions. Particular tasks will include cash and foreign exchange management, management reporting, staff management and continued computerisation.
- The successful candidate will be a qualified accountant, preferably aged 35-45 years. Previous experience in managing a well developed finance function is essential as is the ability to contribute effectively to top level decision-making.
- This position is a demanding one which offers considerable scope for career and professional development. An attractive salary package, including company car, will be offered and relocation expenses will be paid.

If you would like to be considered for the above appointment please contact John Casey at Dublin 684055 or write to him in confidence at the address below.

Price
Waterhouse Associates
Management Consultants

MAS 265
Gardner House
Ballsbridge
Dublin 4

Chief Accountant

Birmingham Substantial salary+car

Newey & Eyn Ltd., a Thomas Tilling company, is the undisputed leader in Electrical distribution in the U.K. Progressive, very expansive, we have well over £200 million turnover and almost 100 branches nationwide. The appointment of Chief Accountant follows internal promotion and is a very senior role. Reporting to the Financial Controller, it carries overall responsibility for the company's accounting functions and involves leading a sizeable team of experienced departmental managers controlling over 200 staff.

Candidates should therefore be Chartered/Certified Accountants, aged 30-40, self motivating with at least 3 years' experience - outside the profession - of man-management, and running a large accounts department, within a commercial environment. It is unlikely that anyone earning less than £12,000 p.a. will have sufficient weight and experience. Other rewards include a prestigious car, BUPA and appropriate relocation expenses if necessary.

Write giving comprehensive details of your c.v. please, to J.W. Exton, Group Personnel Manager, Newey & Eyn Group Ltd., Donne House, Calthorpe Road, Edgbaston, Birmingham.

NEWEY & EYNS LTD
a member of Newey & Eyn Group,
International Industrial Distributors

Financial Controller

£10,000-£11,000 Isle of Wight

Vivaria International Limited, an expanding medium sized manufacturing company, marketing leaders in the manufacture and export of oil spill response equipment, are now seeking an experienced professional to co-ordinate and control their financial resources.

Reporting to the Board, responsibilities will include financial control and management accounting, cash flow, preparation of statutory accounts and computerised systems for bought and sales ledger and wages. As part of a small management team you will be involved in every aspect of the Company's operations including sales, contract negotiation and fixing costs for oil-contaminated land.

Fully qualified, you will have held a similar responsible position in a medium sized manufacturing company. Experience of costing large contracts up to £1m and familiarity with International Financial Transactions, Exchange Rates and letters of credit are essential.

Write or phone David Kennedy,
Exeter, 03-82 21111
Southampton 509 259
Tel: Southampton 38211

Applications are welcome
from both men and women

U.S. Accounting

C. London

c. £11,000

The Headquarters of a world-wide high technology group, our client now seeks a further qualified accountant for the corporate accounting area. You will form part of a team responsible for the control and analysis of operating company results; you will also be particularly involved in legal consolidations and currency reporting to the American parent company. The company utilises sophisticated computerised systems and mini/micro computers for processing and analytical purposes.

Ideally aged 25/30, you will be a qualified accountant and probably a graduate. You should have up to 2 years' post qualifying experience, with exposure to corporate accounting or US statutory reporting requirements. Ambition and management potential will be well rewarded in this progressive group where promotion prospects are excellent.

Please telephone or write to Rebecca Goddard quoting ref. RG 6091.

Lloyd Chapman
Associates

123, New Bond Street, London W1Y 0HR 01-493 7761

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Accountancy Appointments

Reed Executive

The Country's most successful Recruitment Service

Financial Planning Manager

Central London

to £15,000 + car

The company is one of the world's leading suppliers of computer and business systems and its hardware and software product lines one of the broadest in the industry. Reporting to the U.K. Finance Director, you will take control of a key department engaged in the preparation of long range and annual profit plans, together with capital expenditure appraisal. Aged 28/35, a qualified accountant and/or business graduate, you will have had several years relevant experience within a major company environment. Technical competence, commercial acumen and development potential are essential requirements for this demanding position.

Telephone: 01-283 9863 (24 hr. service) quoting Ref: 0901/FT. Reed Executive Selection Limited, 192, Bishopsgate, London EC2M 4NR.

The above vacancy is open to both male and female candidates

London Birmingham Manchester Leeds

Inter Selection

CHARTERED ACCOUNTANT REINSURANCE CITY OF LONDON

c. £15000 + car

Our client, a substantial firm of reinsurance brokers, is seeking a qualified accountant to complete its present financial team.

The appointee will report to the Finance Director/Secretary and be responsible with another Chartered Accountant for all aspects of financial accounting. This will include the management of a small team, liaison with the technical accounting function and involvement with established computerised systems and their development.

The age range is 30-45 and some experience in the industry is desirable but not essential.

This position offers a rewarding career path for the right candidate with an attractive remuneration and benefits package.

Apply in strictest confidence to:

Tony Normile
INTER-SELECTION INSURANCE RECRUITMENT (SOUTHERN) LIMITED
New Zealand House, 119 Fenchurch Street, London EC3M 5RA
Tel: 01-626 8021



Management Auditor West German Base Attractive Neg. Package

Due to promotions, our client, a US multi-national group, seeks to recruit a qualified accountant or experienced auditor into their existing management team.

Reporting to the Audit Manager, responsibility will be for operational audits of marketing, personnel, production control, and treasury functions, systems audits, limited review audits and acquisitions.

Based in Frankfurt, you will spend approximately 50% of your time in Germany with the remainder in Italy, Scandinavia, Switzerland and Benelux Countries.

Opportunities for advancement are excellent as the organisation pursues a career progression plan.

Applications are invited from qualified accountants or experienced auditors possessing a working knowledge of German and/or Italian. Self motivation, social awareness and the ability to succeed are the essential qualities required in this demanding role.

To apply, please telephone or write in confidence to M. J. R. Chapman quoting ref: 6095.

**Lloyd Chapman
Associates**
123, New Bond Street, London W1Y 0HR 01-499 7761



Qualified Accountant Petroleum Industry Geneva

A large international company seeks a qualified Accountant for its Geneva office world wide oil trading activities.

Applicants must be conversant with oil trading and marketing and with the routines and administration associated with this business. Experience in refinery accounting, oil stock control and reconciliation would be an advantage.

Above average salary negotiable.

Preferred age 35+.

Applications are invited from both men and women who should write in confidence to Stewart Mitchell or telephone (24 hour answering service) for a personal history form quoting reference M/349/7.

The P-E Consulting Group Appointments Division
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948



ACCOUNTANT

with good commercial experience required by international group for this permanent position based in Lagos, Nigeria. Applicants, preferably single and aged 30-40, will be responsible for all accounting and administration functions for a company with turnover of £10m+. Appropriate terms and payment package are offered for this important position.

Apply to: Box No. 5419, c/o Ettel Advertising, 4 Bouvierie Street, London EC4

Group Financial Controller

with board potential

c.£25,000 + car

The hallmark of the success of this household-name British company is its aggressive, entrepreneurial management style. Turnover from a diverse range of fast-moving businesses in the UK and overseas has grown rapidly to £250m. The person appointed will take full responsibility for the team which co-ordinates group accounting, audit, tax, treasury and systems matters. Development of close working relationships with senior management in the autonomously-run subsidiaries will be essential and, as the Finance Director travels extensively, the Controller must have the self-assurance and maturity to report direct to the Group

Chairman. Candidates, in their 30s, must demonstrate a record of successful financial management in a fast-moving, dynamic organisation. Usual big-company benefits include private health scheme and relocation assistance, if needed, to North-west London.

Write for an application form or send brief CV to the address below, quoting ref: AA56/7992/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE Tel: 01-235 6060 Telex: 27874



A member of PA International

FINANCIAL CONTROL AND DEVELOPMENT A Commercial Bias

London

c. £15,500 + car

Our client is one of the UK's best known companies, a subsidiary of a multinational group. They operate in an area demanding a high level of profit-awareness and their profit-responsible units provide the maximum impetus to general and financial management.

They seek an excellent communicator whose positive personality and self-confidence will ensure the basis for a substantial and significant contribution to the company's overall performance. Particular skills must include the ability to manage a financial accounts department, to conduct negotiations both internally and externally, to influence capital employed utilisation and to identify and quickly solve problems.

Candidates (age 26-32) must be qualified accountants whose academic background and career track record are first class. They must relish the challenge of a fast moving and demanding environment.

Interested applicants should submit full career details, quoting ref: 829, to Nigel Hopkins F.C.A. at 31 Southampton Row, London WC1B 5HY. Telephone 01-405 0442.

MP
Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

MANAGEMENT ACCOUNTANT

International Company

£16,000-£18,000 + car

Creativity, initiative and a desire to progress according to personal performance will be the characteristics most suited to this position.

Although we are a large international company, initially this position includes hands on management of our London and European operations. The team is young, dynamic and hard working.

Although accountancy qualifications are required (ACA/ACCA/CMA) the successful applicant will be selected based on their tendency towards and ability to handle general management. A marketing flair is desirable.

Please mark your c.v. confidential and forward to P. Veith, Drake International 136 Regent Street London W1R 5FA



DRAKE
INTERNATIONAL

DIRECTOR OF FINANCE

The Port of Dover is one of the most successful ports in the United Kingdom, the largest in terms of value of trade, and one of the most important in the world for passenger and vehicular traffic. It is administered by the Dover Harbour Board, a Public Trust employing over 1,000 people with an annual operating revenue expected to exceed £20 million by 1985. The Board is currently undertaking a major programme of capital expenditure. Applications are invited for the above position, arising from the resignation of the present Director, from graduates (any discipline) who are also professionally qualified accountants. Candidates under 50 years of age must have previous experience of financial control within a large and successful commercial, industrial or public body at or immediately below board level. Previous port or shipping experience, whilst useful, is not essential.

Reporting directly to the Board's General Manager and Registrar, the Director of Finance is responsible for the efficient operation of the following divisions: Accounts, Budgetary Control, Computer Services and Planning Services. The duties will include the operation of effective systems of control over the Board's financial resources, the preparation of management information, the monitoring of budgets and cash flow, and the management of the corporate planning and management services functions.

The salary for the position will be in the range £15,700 to £18,000 per annum (to be reviewed on 1st July, 1982) with additional benefits including company car, non-contributory pension and life assurance scheme, sick pay scheme and annual bonus.

Further details may be obtained from The General Manager and Registrar, to whom applications (enclosing full curriculum vitae) should also be addressed in order to arrive by 21st June, 1982.

Dover Harbour Board
Dover Harbour Board, Harbour House, Dover, Kent CT1 2AU

A FINANCIAL TIMES SURVEY ACCOUNTANCY THURSDAY 17 JUNE 1982

The Financial Times is planning to publish a Survey on Accountancy on the above date. The provisional editorial synopsis is set out below.

1. Introduction

The accountancy profession is suffering from the recession, but it has shown itself to be resourceful and adaptable. An overview of the profession and its place in the economy.

2. Accountancy Standards

Attempts are being made to restore the momentum of the standard-setting process, and to secure the position of the profession within a framework of self-regulation.

3. Accountancy Bodies

In the past the various accountancy bodies have jealously preserved their independence, but now mergers are on the horizon.

4. The Big Firms

Increasing competition among the big firms, aggravated by the recession, has led to problems over the strict professional rules on publicity, and several firms have been rebuked by the head of the Government Accountancy Service for their promotional activities.

5. Current Cost Accounting

Compliance with SSAP 16 is being closely monitored and the standard is due to be reviewed after three years. In the meantime there are proposals to require companies to put their past sales and profit figures on to a "deflated" basis.

6. The Public Sector

The debate continues over the role of the National Audit Office. Elsewhere the scope for private firms to audit local authority accounts has increased.

7. Small Firms

While mergers have been common at the top end of the profession, at the other end thousands of independent small firms continue to practise. The effect of the political measures to boost smaller businesses.

8. Finance Directors

Accountants have traditionally played an important role in the management of British companies. Now bodies like the 100 Group of Finance Directors are becoming more vocal.

9. International Relationships

The growth of multinational business has brought new challenges for the accountancy profession, not least at the political level. A look forward to the World Congress in October.

10. Training

Should accountants be trained by professional firms or within industry? Differences of view persist among Chartered Accountants.

11. Insolvency Business

The wave of bankruptcies in the recession has produced intense activity in the insolvency departments of many accounting firms — but there has also been controversy about the activities of fringe liquidators.

For further information and advertising rates contact:

Carmina Leon or Gavin de Carle

The Financial Times Limited

10 Cannon Street, London EC4P 4BY

Tel: 01-248 8000

Telex: 885033 FINTIM G

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

CUT THIS OUT

You will need it the day your job is at risk.
We are the firm that provides the most experienced nationwide executive job search, career consultancy and video coaching services. (75% of our clients take up higher salaried jobs.) We also have the best access to the unpublished market (over 50% go to unadvertised positions).

PHONE NOW
London 01-593 2271
Birmingham 021-432 5491
Bath 0225-333 641
Manchester 061-335 1450

Percy COUTTS & CO. LTD
25 Whitehall, London SW1A 2BT.
Enclose also how these redeployment services can be included in your severance terms.

UNIVERSITY APPOINTMENTS

UNIVERSITY OF LONDON

The London School of Economics

TOTAL LECTURESHIP IN ACTUARIAL SCIENCE

Applications are invited from qualified actuaries to apply for a two year period from 1 October 1982 to a lectureship in Actuarial Science. The successful applicant will be required to take the general supervision of students studying for the School's undergraduate degree in Actuarial Science, to teach in the degree, and to develop research interest in the subject. Applications will be welcome both from those interested in a full-time appointment and from those able to consider only a part-time appointment. Appointment will be on the salary scale for lecturers of £16,070 to £17,680 per annum, £1,020 per annum London Allowance. (If the appointment is part-time, salary will be an appropriate proportion of the equivalent full-time salary.) In assessing the application, consideration will be given to qualifications, age and experience. Application forms and further particulars are available, on receipt of a stamped, addressed envelope, from the Academic Secretary (Academic Room H), London School of Economics, Houghton Street, London WC2A 2AE. Closing date for applications: 30 June 1982.

APPOINTMENTS WANTED

VENEZUELA
Mechanical Engineer (U.K. with extensive experience in immediate services to established or potential companies in Central Maracaibo area). Age 35, married, resident status, family willing to relocate to Valencia, willing to undergo training period. Address: Box No. 5419, Ettel Advertising, 4 Bouvierie Street, London EC4

JOBS COLUMN

The dangerous split still lurks in society

BY MICHAEL DIXON

THERE finally struggled into print this week some news from a social survey initiated after last summer's riots by the Committee for Research into Public Attitudes, but evidently kept unpublished. The news came in an article by David Marsland, a Brunel University sociologist, who has seen a summary of the survey's findings, in a booklet called "Educated for Employment?"

The young people and the unemployed who were questioned, he says, were more sympathetic with the rioters than with the police. The older people taken as a whole, on the other hand, took the police's side.

The survey research shows... a polarisation between young and adult society with ominous potential for generalised conflict, extremist political manipulation, crisis and disintegration," Mr. Marsland concludes.

The danger of the split which he so describes has, almost certainly been lessened by the public mood stimulated by the Falklands conflict. But the danger will go on lurking beneath the externally generated mood of unity unless effective ways are found of removing the cause of the split. And it is generally agreed that the cause is high unemployment.

* Published by the Social Affairs Unit, 2, Lord North Street, London SW1P 3LB; £2.50.

ment quite possibly of long-term duration, especially among young people, and more especially among those who have failed to respond to their 11 years of compulsory education.

But "unemployment" is arguably too coarse a term to describe the position of jobless teenagers. It could well be more productive to say that they are stuck in a gap between education which is supposed to prepare youngsters for adult life—including work and work itself.

So there would seem to be two broad ways of occupying their time in the interval. One is to continue preparing them for working life by providing training, which is essentially to go on treating them as dependent children. The other is to give them the adult responsibility of doing actual work.

The UK Government is taking in large measure the training approach, which the survey reported by David Marsland shows to be the one most supported by older and younger people alike. About 80 per cent of both age-divisions favoured the provision of two years of training for school-leavers to develop working skills.

But Mr. Marsland adds that this support fell away when people were faced with questions about the practical consequences of providing such a programme, such as the higher taxes needed to meet its costs. Besides there is evidence to

doubt that the teenagers with the greatest handicap—those who have been little but bored and demoralised by their 11 years in school—will generally respond more keenly to training courses.

However practical as distinct from academic these courses are made, they will surely still represent to the "in-betweens" who are supposed to attend them a backgrading to the status of childhood. For whatever is done to simulate real working conditions in the training activities, they will inevitably lack the one factor which properly confers adult status: namely, that the activity has real-life results.

A more promising way of tackling the dangerous split David Marsland thinks, would be to take the alternative approach of providing teenagers stuck in the gap with the opportunity of doing real work. The vehicle could be "national social service" whereby young people would spend a period doing important but non-economic jobs such as working in hospitals, caring for the elderly or the mentally ill, renovation and repairs for empty houses, environmental conservation or similar useful jobs."

He says that the idea of national service of this kind found almost as much support from the older and younger people who were questioned as the notion of two years industrial training.

There are drawbacks of course. For example, the Jobs Column is convinced that the older it gets the less it will want to risk being cared for by young people of the kind who started in the televised riots of last summer.

But Mr. Marsland's approach would seem to offer at least as good a chance of converting such youngsters to a less anti-social attitude, as the training programme can.

It would, therefore, seem worthwhile to explore the alternative of national social service by setting up experiments on a fairly large scale, and treating these activities as deserving of at least as much social esteem as industrial training. For there could be few ways of worsening the dangerous split in society more efficiently than presenting school-leavers with a three-prong pecking order: more education for the bright, training for the dim, and so-called community projects for the jobless only.

Trio

RECRUITER Tony Barker is seeking three people for two British public companies, neither of which he may name. So he—like the other head-hunter to be mentioned later—promises confidential treatment to any applicant who requests it.

One of the openings is for

a managing director with a concern concentrating on the sale and rental of tools for the oil industry, such as those for drilling wells, which supplies all the major fields in the North Sea. Based in Aberdeen, the newcomer will have shown strong commercial acumen and have thorough knowledge of the oil industry. Salary indicator is about £30,000.

The other two are based in London, but are for regional directors respectively concerned with the Middle East and the Far East where the employer—a civil engineering contractor—already has large and complex contracts and plans to expand.

Candidates must be qualified civil or structural engineers with demonstrable ability to control project managers engaged in major operations.

The most suitable background would be the management of smaller-scale contracts throughout the two regions of the world in question. But applications would be welcome from experienced managers who have done comparable work in other parts or whose responsibilities have covered only smaller areas.

Those who have been successful in generating new business while in charge of overseas contracts would have an advantage.

The age range for the two regional directors' jobs is quoted as 38 to 55, which compares with 35-50 for the managing director's post.

The salaries for the regional chiefs will be about £25,000. Inquiries to Anthony Barker Consultants, 67-68 New Bond Street, London W1Y 9DF; telephone 01-408 1612, telex 299004.

Insurance

REVIVAL of recruitment activity in the City of London is reported by consultant Leslie Coulthard. "Several of my clients are plucking up courage to think of expanding into new activities, with a consequent need for new staff," he says.

"This is always a more pleasant task than finding a replacement for some poor chap who has been found wanting."

His particular concern at the moment is the recruitment of two insurance brokers. One will be a successful specialist in "excess of loss" and the other similarly expert in oil and energy business. Both newcomers will have the responsibility of setting up new departments in their respective speciality for an expansion-minded insurance broking company.

Basic salary could go up to £35,000 or so. There will also be a bonus on performance. Other benefits are for negotiation. Promotion to directorships is an early prospect.

Inquiries to Leslie Coulthard Associates, 10 Wallside, Monkwell Square, London Wall, London EC2Y 8BH; tel. 01-688 4254.

to £11,000

INTERNATIONAL LOANS

City

A noted and rapidly expanding European banking group seeks to recruit additional personnel to assist with the continued development of their international loan portfolio. The initial appointment will be either as a Loans Officer or a Credit Analyst, depending upon current levels of experience. It is envisaged, though, that in a relatively short period, successful candidates will gain substantial exposure to client liaison and business development.

These opportunities will appeal to young bankers with a sound credit training and ambition to succeed in a dynamic environment. Language ability is seen as particularly useful.

Applicants seeking a stimulating challenge directly related to the role of the European bank within the city institutional framework should contact Roger Tipple, Manager, Banking and Finance Division on 01-242 0965 or write with brief curriculum vitae to him at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.



Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Senior Business Development Officer

Governmental/
Corporate Lending
remuneration negotiable

A rapidly expanding overseas bank is seeking an outstanding business development officer for its new London office.

The position entails the development of a range of corporate and governmental lending opportunities between the bank and UK/Middle East based clients, and the co-ordination of government backed financing.

Candidates, aged 30-45, must be graduates and must offer at least 8 years' relevant experience in commercial and merchant banking. Fluency in West European languages; in addition to English, is desirable.

Please write in confidence to Michael Blanckenhagen, quoting reference 15461L, at 165 Queen Victoria Street, London EC4V 3PD. Alternatively, telephone him on 01-236 8000 extension 2550.

P Peat, Marwick, Mitchell & Co.
Executive Selection Division

Liffe

Credit Suisse First Boston Limited, the leading international investment bank, is looking to appoint an experienced trader as its chief floor trader on Liffe.

Candidates should have a proven record in one or more of the following fields:

Floor trading on any exchange
CD or deposit trading or broking
Foreign exchange trading or broking
Financial futures trading

To attract the person with the necessary qualities for this key position, Credit Suisse First Boston is prepared to offer a highly competitive remuneration package. Applications, which will be treated in the strictest confidence, should include a full C.V. and be sent to: Mr. T.M.B. Kerrigan, Personnel Manager, Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ.

CSFB

Manager Strategic Planning & Pricing

£15-£15,000

Our clients are a well-established and profitable U.K. subsidiary of a major computer manufacturer with U.S. roots.

In order to meet the challenges of the coming years the organisation is undergoing significant change and paramount in this process is the need to develop and monitor strategic financial plans on a medium to long-term basis within marketing operations.

They are currently seeking to appoint a qualified Accountant (A.C.A., A.C.M.A.) in the age range 30-40, who has between 7 and 10 years' solid management accounting/financial analysis/planning experience together with a capability to develop and utilise computer-based modelling techniques.

Responsibilities will include the financial evaluation of strategic plans and positive involvement in their development; partici-

ping in the development of new products and revisions to existing lines, for both U.K. and export markets.

The position demands an intelligent, capable and imaginative man or woman, who, through self-motivation can make a positive and active contribution to the Company's plans. The appointee should be in no doubt as to the organisation's commitment to forward planning and the importance that is attached to product pricing, margins and financial strategy.

Our clients will negotiate a salary in the range of £13-£15,000 per annum together with normal benefits including contributory pension and S.U.P.A. schemes and free life assurance.

Please send a concise C.V., together with details of current remuneration package to: The Confidential Reply Service, Ref. AEM 354, Austin Knight Limited, 66a High Street, Egham, Surrey TW20 9EY.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to

Confidential Reply

Supervisor

AK
Egham

**Austin
Knight
Advertising**

Investment Analyst Japanese Market

Our client, a major international institution, seeks a young analyst of high calibre to specialize in the Japanese Market.

The successful candidate will have thorough experience of investment research gained over one to four years within a stockbroker or institution and will probably be a graduate aged 22-25. Whilst knowledge of the Japanese Market would be an asset, proven analytical ability and a keen interest in Japan are more important.

The position will involve taking over responsibility for coverage of the Japanese Market, working closely with the fund manager and contributing ideas and recommendations towards the management of the fund. Remuneration will be attractive to the right individual and will include a basic salary plus benefits.

Please contact Stephen Embleton or Elizabeth Evans, who will treat all enquiries in the strictest confidence.

Stephens Associates
International Recruitment Consultants

44 Carter Lane, London EC4V 5BX. 01-336 7307

BANKING

OPERATIONS
An expanding and progressive international bank seek operations specialists who can display an outstanding career to date in the area of banking. A good academic education will be required and experience should have preferably been gained with a leading U.S. or European bank. Salaries will be negotiable, but should not be a problem for suitably qualified, hence deserving candidates. REF: DE2/103A

EUROBOND TRADER
A young trader is required for the active trading room of a City based banking institution. Dealing mainly in straight currency, you will have gained your experience to date with recognised trading houses. Prospects are good in this expanding operation. REF: DE2/102A

U.K. LENDING £12,000
Prestigious City bank offers an excellent opportunity to a young banker wishing to progress their career. Having gained a good general education, you will have joined a London bank and have taken advantage of their credit training course prior to moving into lending. You should now have sound U.K. contacts and market knowledge, and be looking to use these attributes with a reversal dealing bank. REF: DE2/101A

APPLICATIONS WILL BE TREATED IN THE STRICTEST CONFIDENCE

LEE HOUSE, LONDON WALL, EC2 01-606 6771

ROBERT HALF

SEARCH & RECRUITMENT

PROPERTY INVESTMENT EXPERT/MANAGER

We are a private international building and civil engineering company with property investments in the U.S.A. and U.K. We are seeking a person with appropriate qualifications and experience to:

- 1 Manage and monitor the existing portfolios which in the U.S.A. are managed by Agents
- 2 Investigate and propose further developments in the London area, particularly for renovation purposes

The person will be based in Romford, Essex, aged between 32 and 40 and a member of the R.I.C.S. with experience in the investment department of an industrial real estate company.

Please write with full details of experience and salary required to:

Managing Director

H. WEBB (CONSTRUCTION) LTD
Southend Arterial Road, Romford, Essex RM3 0NU

INVESTMENT MANAGEMENT

City Age c. 25-35 c. £12,000 + benefits

As a result of a policy decision to manage its investments in-house, a specialist insurance company, with a substantial international portfolio, wishes to appoint an Assistant to the Finance Director. He or she must be highly numerate and is likely to have a professional qualification, for example as an actuary, accountant, or to have working experience as an economist, statistician, etc. This is a new post and as well as assisting in setting up and running the investment function, candidates must be prepared to work closely with the Finance Director on statistics, forecasts, etc, using sophisticated computerised systems. The person appointed will often represent the Finance Director and social skills are essential to facilitate contacts with senior management and clients.

Please apply to: Sir Timothy Hoare

Chichester House, Chichester Rents, **Career plan** LIMITED PERSONNEL CONSULTANTS

Thomas Tilling plc

Career opportunities at the Mayfair Headquarters

QUALIFIED ACCOUNTANT

This appointment is in the Group Accounts Department as a member of a small team dealing with financial and management accounting, and business plans. The work is interesting and varied and involves close liaison with Senior Executives.

Candidates should be qualified accountants, aged 25/28, ideally with a university degree and experience with a major accounting firm. This is an outstanding opportunity for a young Accountant to gain first class business experience.

Please write in confidence giving details of age, education, qualifications and full career and salary progression to: The Chief Accountant.

Thomas Tilling plc, Crewe House, Curzon Street, London W1Y 8AX

A large and diversified international group with 45,000 employees and annual sales over £2 billion.



ECONOMIST

This appointment is for an Economist to work on investment research and corporate planning. Duties include a wide range of economic and commercial analysis, forecasting of UK and overseas economies, and industry and company appraisals.

The successful candidate will be a practical and imaginative economist, aged 24/30, with a keen interest in business, at least 2 years' experience in UK industry or commerce and a high degree of initiative. Foreign languages would be advantageous.

Please write in confidence giving details of age, education, qualifications and full career and salary progression to: The Corporate Planning and Investment Research Manager.

FOREX APPOINTMENTS

For Forex/LIFFE/Money Market appointments at all levels, discuss your needs, no cost, with a specialist
TERENCE STEPHENSON
13/14 LOMBARD STREET
LONDON EC2A 7BX
TEL: 01-606 6834
20 years market experience

Please write in strictest confidence to:
Malcolm Gates, Managing Director,
Royal Trust Bank (Jersey) Ltd.,
Royal Trust House, P.O. Box 194,
Colombier, St. Helier, JERSEY.

CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Excellent ground floor dealing opportunity in investment market.

ASSISTANT

CONVERTIBLE BOND DEALER

£8,000 - £12,000

MAJOR INTERNATIONAL FINANCIAL INSTITUTION

We invite applications from candidates aged 23-27, who have worked in the City with either a leading stockbroker or international financial institution, preferably in a junior capacity in a trading environment. Our client has a leading position in the convertible bond market and the successful candidate will assist an established team in a demanding and active dealing room. Initial salary negotiable £8,000-£12,000 will be supplemented by a fringe benefit package. Applications in strict confidence under reference BD14148/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

CITY

New Business Executive

Industrial Hire Purchase

Atlas Hire Purchase, the asset based finance subsidiary of Grindlays Bank p.l.c., will shortly be expanding its hire purchase finance activities in both the South and North West of England and will require additional Marketing Managers to operate out of their London and Manchester offices.

The company provides financing mainly for capital intensive projects such as plant and machinery, commercial vehicles and car fleets and the executives will have profit centre responsibilities for the establishment and development of non-consumer hire purchase business.

The applicants, aged 28 to 38, should therefore have a wide range of existing industrial contacts at senior level, be self-starters and have highly successful careers to date in a new business capacity with a national finance scheme.

A five figure salary plus an additional incentive element is offered, together with a company car, and other benefits including a subsidised mortgage scheme, membership of BUPA and a non-contributory pension scheme.

Please send details of age, education, past experience and present salary to Alan Marvin, Atlas Hire Purchase Ltd., 13 St. James's Square, London SW1.

Atlas Hire Purchase Ltd.

Chief Executive

GREATER MIDLANDS CO-OPERATIVE SOCIETY LIMITED

Due to the impending retirement of the present Chief Executive, the Directors invite applications for the appointment of his successor at a salary of not less than £35,000.

The Society is employing 4,000 people, with a turnover in 1981 of £113 million. The trading activities include two superstores, 150 retail outlets, covering various food, discount and department stores, dairy, bakery, and funeral service operations. The Chief Executive is responsible to the Board of Directors for the management of all activities in order to achieve the Society's corporate objectives.

Please apply for information relating to the application form and an application form which should be completed and returned by 25th June 1982.

CO
OP

Applications to:
Mr K. A. Bailey,
Chairman,
Greater Midlands
Co-operative
Society Ltd.,
20 High Street,
Birmingham B4 7SF.

Senior Consultants Financial Sector

SRI International (formerly the Stanford Research Institute) provides a leading role in the provision of strategic advice and operational assistance to financial institutions worldwide. Such advice is often given in a team environment which involves specialists in EDP Strategy and security.

The Institute wishes to recruit two senior professionals to join the staff of its London office (serving Europe, the Middle East and Africa) to undertake strategic, management and operational consulting, respectively, in this area.

STRATEGIC will interest candidates with a knowledge of the financial sector at a business oriented level, together with in-depth strategic level experience with a financial institution. Ref: 293/A.

OPERATIONAL will interest candidates with at least 7 years' experience in senior line management, and first-hand knowledge of computer techniques. Ref: 293/B.

Applicants for both positions need to have gained the highest level academic and professional qualifications, plus several years' experience with a leading consultancy organisation.

Please write, in confidence, quoting the appropriate reference and giving full details of personal and career history to:

W. J. Romanowski, Personnel Manager, SRI International, NLA Tower, 12-16 Addiscombe Road, Croydon CR0 0XT.

International Broadcast Media Executive

(2 vacancies—London based)

Airtime International, a subsidiary of Scottish Television, seeks applications for two high-calibre individuals wishing to become involved in all aspects of the overseas television and radio airtime sales contracts handled by the Company. Suitable candidates aged between 25-35 years will be self-confident, well-groomed and have a degree in either law, economics, international politics or an equivalent discipline and preferably fluent in a second language.

Please write for an application form to:

Jonathan F. Shier,
Managing Director,
Airtime International,
30 Old Burlington Street,
London W1X 1LB.



Manager-Trust Services JERSEY

Arising from internal promotion and our continuing growth and development we wish to appoint a Manager-Trust Services of our substantial operations based in Jersey.

The successful applicant will have the following attributes:

- * Sound practical experience and knowledge of International Trust administration based off-shore.
- * Ideally have obtained an accounting, banking or legal qualification.
- * Proven ability in successful man management.
- * Self-starter, able to contribute to the development of our business.

Salary will be negotiable and in addition we provide usual banking fringe benefits.



Please write in strictest confidence to:
Malcolm Gates, Managing Director,
Royal Trust Bank (Jersey) Ltd.,
Royal Trust House, P.O. Box 194,
Colombier, St. Helier, JERSEY.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

BANK MEES & HOPE NV

Dutch Merchant Bankers Since 1720

We will shortly be opening our London Branch and require applications for the following positions:

ADMINISTRATION £10,000 neg.

Supervisory position involving control of day-to-day administration and accounting functions of the Branch. Applicants should have at least five years experience, preferably with an international bank.

F/X DEALER neg.

Applicants with five years minimum experience required to assist with setting up of new dealing operations. Knowledge of Eurocurrencies, Arbitrage and F/X are necessary.

SENIOR LENDING OFFICER £10,000 neg.

This position requires an experienced banker to assist with the development of the bank's loan portfolio. Several years experience in international lending is essential and must include a sound knowledge of commodity finance.

Applicants for these positions should send their c.v. to Manager Operations, Bank Mees & Hope NV, 48-54, Moorgate, London EC2R 6EL.

Hoggett Bowers

Executive Selection Consultants

Chartered Secretary

North Derbyshire - South Yorkshire Borders
5 figure salary + car

This diverse Group of Companies with interests ranging from agriculture to refractories have an impressive record of growth over the last decade. As a result of these achievements, they are now seeking to appoint an additional Chartered Secretary to assist in the further development and control of this enterprise. Applicants, probably aged 30+, and essentially qualified ACIS, will have broadly based responsibilities including statutory duties, overseas corporate matters, health and safety, licensing, patents, payroll, industrial relations etc. Experienced candidates must have the flair and confidence to liaise effectively at all levels in an often pressurised and exacting environment. Long term career prospects are excellent as are the company benefits including re-location where necessary.

Ann Hill, Ref: 57234/FT. Male or female candidates should telephone in confidence for a Personal History Form 0742-731241, Bank House, 100 Queen Street, SHEFFIELD, S1 1UF.

Bank Recruitment Specialists

INTERNATIONAL LENDING

ACCOUNT OFFICER £15,000+

Correspondent Banking/Latin America
Major U.S. corporate bank wished to appoint an additional Account Officer to develop the bank's relations with Latin American countries. The ideal candidate would be aged late 20s/early 30s, with a background including U.S. bank credit training, fluency in Spanish or Portuguese, and (preferably) two years' experience in correspondent banking/financial institutions marketing.

GRADUATE BANKER £12,000+

Career opening in the Credit Department of a respected American bank, established in London for almost 20 years. The appointment, at Vice President level within the European Business Development Group, calls for a seasoned international banker with proven corporate marketing and correspondent banking experience. Reference will be given to candidates who are fluent in either French or German and are aged in their mid-30s.

MANAGER, LOANS ADMIN £12-15,000

Required to manage a department approximately 30-40 staff, one of the largest international banks in London. All areas of the business will be covered by the Loans Administration function including foreign currency loans, money market loans, C.D.s etc., coupled with proven management skills. Age preferred: 38-35.

Please telephone Leslie Squires, 01-248 7421 or 01-248 8376

Anderson, Squires, Bank Recruitment Specialists
Regent House, 1-5 Queen Street, London EC4N 1PF

Anderson, Squires

Senior Executive Financial Services

Our client has an impeccable reputation in the field of personal and corporate financial services. They are seeking to appoint a Senior Executive to be responsible for the control of the full range of those services, both personal and corporate, which are fully supported by an established management and staff.

This is a key role in the profitable expansion of the financial services function and you must, therefore, be able to demonstrate a combination of leadership and administrative abilities, as well as having marketing experience.

You are unlikely to be under 40 and should have a depth of experience of personal financial planning. You will also be familiar with the broader aspects of insurance broking, unit trust investments, personal tax and trust administration. Salary will be attractive to those earning £20,000 plus. In addition there will be a company car, cheap mortgage facility, private medical insurance and pension & life assurance.

Please write, in confidence, with full career details and stating the names of any organisations in which you would not be interested, to: Brian P. Jones, (Ref: 747/FT), St. James's Corporate Communications Ltd., St. James's House, 4/7 Red Lion Court, Fleet Street, London EC4 3EB.

St. James's
Corporate Communications Ltd.

Market Planning Manager

London

Our client, an international name in consumer goods wishes to appoint a Market Planning Manager to head up their analytical services team.

Your brief, which will encompass the home trade and overseas divisions, will be:

- * to provide a market analysis service
- * to manage the development and operation of computer based information systems
- * to carry out ad hoc projects including economic analyses
- You will liaise closely with senior executives across the whole of the home and overseas marketing function, as well as with other divisions of the company and outside computer agencies. The job is a challenging one and there is considerable scope for development. Probably aged 27-35, you will have a good degree in a numerate discipline and several years' experience of market analysis and computerisation in the fm. c.g. sector, preferably including some experience of overseas market data. For this key role you will need to be innovative and:
- * a flair for anticipating long term economic and marketing information requirements
- * the initiative and technical expertise to develop and implement new ideas
- * the skill to communicate complex concepts succinctly and effectively to all levels of management
- * the ability to lead and motivate a team successfully

The salary for this appointment is negotiable around £16,000 and fringe benefits are excellent.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent ref. B.1107.

This appointment is open to men and women.

ASL CONFIDENTIAL RECRUITMENT
A member of MSL Group International

17 STRATTON STREET
LONDON
W1X 6DB

c. £16,000

Fund Manager

Canada Life has an opportunity for an experienced Gilt and Fixed Interest Investment Fund Manager in their City offices at Cannon Street.

Reporting to the Investment Manager - Securities, you will be aged 25-30, have at least three years' experience of gilt dealing and interest rate forecasting and should have a good economics background. Involved in economic projections and stock market dealing in the gilt and fixed interest market this is an excellent opportunity to make an important contribution to our overall investment performance.

We offer an attractive five figure salary, subsidised mortgage and pension scheme.

Please write, in confidence, with full career details or telephone for an application form to: M. R. Collett, FCII, Personnel Manager, The Canada Life Assurance Company, Canada Life House, High Street, Potters Bar, Herts EN9 5BA. Tel: Potters Bar 51122, ext. 193 (24-hour Ansafone outside office hours).

This appointment is open to men and women.

Canada Life

c. £16,000

AVP Business Development

Major US Bank

Our client requires an aggressive, experienced banker at Assistant Vice President level to join a highly profitable, expanding division in its London office. He/she will specialise in, and be totally responsible for relationships with the insurance industry and investment vehicles in the UK. Previous experience

in this field would be useful, but is not essential. Preferred age is 28-35. Salary will be c. £17,500 and a car and the usual fringe benefits will be provided.

Please send your CV to David Dale, at the following address, quoting reference no. 1322.

Odgers

MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St,
London W1X 3TD 01-499 8811

LOAN OFFICER

City
Medium-sized Regional U.S. Bank

Our Client is the London branch of a successful and expanding U.S. bank with a developing presence in the U.K. and Europe.

The current requirement is for a versatile lending banker to assist in the development of the bank's diversified loan portfolio, which includes direct and syndicated lending and some involvement in the capital markets.

Candidates, preferably in their late 20's or early 30's with a degree and/or a professional qualification, should possess a formal credit training and a subsequent record of successful business generation. Drive and imagination are regarded as essential ingredients for success, as is the willingness to travel throughout the U.K. and Western Europe.

This represents a challenging and attractive opportunity for personal development with an organisation which recognises flair and performance.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside, London EC2 01-248 3812 345

APPOINTMENTS ADVERTISING

APPEAR EVERY THURSDAY

RATE £29.00
per single column centimetre

STOCKBROKERS

Our client is a medium-sized firm with adequate accommodation which can offer attractive facilities to one or two associated members, attachés, or a small team of members with the ability to introduce and develop their own business. The firm has a broadly-based business which includes private clients, banks, institutions and legal connections. Replies will be treated in the strictest confidence. Please write in the first instance to ourselves at the address below.

The identity of any candidates will not be divulged to our client without their express permission and in full knowledge of who the client is.

Finnie Ross Allifield
(Chartered Accountants)

Lee House, London Wall, London EC2Y 5AX
Attention: Michael Ross

BANKING OPPORTUNITIES

BUSINESS DEVELOPMENT £20,000+
A major international bank is seeking a professional banker as senior manager to develop its business in the City and in continental and Eastern Europe. Candidates should be mid 30's, have relevant qualification, and have 3-5 years' experience in marketing and business development with large clients. An ability to speak 2 or 3 European languages is essential.

FOREIGN EXCHANGE DEALER

£20,000+
A senior foreign exchange dealer is required by an international bank. Applicants should be in their early 30's, have at least six years' experience in dealing in spot and forward transactions and deposits in all currencies.

SENIOR ACCOUNTANT £20,000+

Partly qualified ACCA or ACA with 4-5 years' experience in a large Canadian bank. Duties include head office reporting, Bank of England returns and some tax work. Candidates must have good general accountancy skills and be capable of competing effectively and progressing within the bank.

CREDIT ANALYST £29,000+

Credit analysis mid 20's with one year's former credit training in large bank. Duties include credit analysis in currency and U.K. lending analysis required by expanding European bank.

ADMINISTRATION SUPERVISOR £49,000+

Very competent administrator, probably 30-40, required for busy department of international bank. Must have previous banking experience, particularly in the City, and be capable of dealing with supervision, other administration duties and used to working under pressure. Only candidates fulfilling these requirements should apply.

LJG Banking Appointments Ltd.
1770 BISHOPSGATE, LONDON EC2M 4LX
01-283 9953

CAMPBELL NEILL & CO

MEMBERS OF THE STOCK EXCHANGE

INVESTMENT ANALYST

An Analyst is required for our Research Department. The successful applicant should ideally be able to produce evidence of a thorough analytical training, supported by an ability to produce and market high quality work for institutional investors. A record featuring a sector specialisation would be particularly suitable, and a professional or academic qualification is preferred although not essential. Terms will be competitive in line with age and experience, and all applications will be treated in strictest confidence.

Initially, please write or telephone to the following, giving a brief outline of past career:

James C. Hardie

MESSRS: CAMPBELL NEILL & CO.

Stock Exchange House

69 St. George's Place

Glasgow G2 1JN

Tel: 041-248 6271

SMALL IS

We left a larger firm of Stockbrokers to become small. We love it. We are now well established and have space for one. Must be well connected, agreeable personality, with the ability to slot into our small team. Perhaps you are sitting now amongst your 40 other partners (soon to be 80?) and thinking what a joy to be small and independent.

In utmost confidence write Box 40786, Financial Times

EDITOR

INVESTORS CHRONICLE

A new editor is to be appointed for the Investors Chronicle, the leading weekly magazine covering business, investment and finance. Applications are invited for this important position.

Please write in confidence to J D McLachlan, Managing Director, The Financial Times Business Publishing Limited, Room 608, Bracken House, Cannon Street, London EC4.

INVESTORS

CHRONICLE & Financial World

Executive Appointments

The specialist service for senior executives seeking new appointments. Our success-related fee structure is unique.

Contact us for a confidential meeting.

Connaught

Executive
Recruitment
Services Limited

73 Grosvenor Street, LONDON W1 - 01-493 6504

CORPORATE FINANCE

Business development

We are a long-established issuing house (a subsidiary of a widely-held listed company) which specialises in financing, advising and taking interest in companies in the small-to-medium size range. We need an energetic and enthusiastic new member who will enjoy considerable scope for initiative in business development. The ideal requirements are:

- A self-starter aged about 28-35 and in good health
- Educated to university standard, articulate and numerate
- A merchant banker (or possibly an accountant or lawyer) with first-hand experience of issues, takeovers and mergers
- Experience with small or medium-sized companies, either in industry or commerce or as a business-getter in the financial services sector.

Please write to J. N. Fuller-Shapcott, at the address below, marking your envelope private and enclosing full curriculum vitae and salary progression. Salary will be competitive. A car and usual additional benefits are provided.

MINSTER TRUST LIMITED,
Minster House, Arthur Street, London, EC4R 9BH

GOLD BULLION DEALER

A senior gold bullion dealer is required by a leading Merchant Bank. Candidates must be between 27/32 years of age with several years' experience of bullion dealing. A substantial salary will be offered together with the usual banking fringe benefits.

Please contact Peter Latham

Jonathan Wren Bank Executive Recruitment

170 Bishopsgate, London EC2M 4LX

Tel: 01-623 1266

UK AND INTERNATIONAL BANKING SERVICES

An internationally-oriented and rapidly expanding Licensed Deposit Taker soon to move into premises in the City is seeking applicants with several years' suitable experience to fill the following vacancies:

F/X Back-Up including settlements, payment orders, reconciliations. Extensive knowledge of sterling and currency bill business desirable.

Documentary Credits including opening, amendments and paying; and documentary collections inwards and outwards.

Accounts Assistant with knowledge of computerised accounts to assist Accountant with monthly Returns and Budgets and Bank of England Returns.

IBM System 34 Operator/Telex Operator.

Salaries negotiable according to experience.

Applications, which will be treated in confidence, to

Box A.7869, Financial Times

10 Cannon Street, London EC4P 4BY

ASSOCIATION OF UNIVERSITY TEACHERS GENERAL SECRETARY

Applications are invited for the post of General Secretary of the Association of University Teachers to succeed the present General Secretary, Mr. L. Sapper, LL.B., Barrister at Law, who will retire on 30th April 1983. The current salary scale for this post is £18,480 x £926-£24,036 plus a London Allowance (at present £1,035). The successful candidate will be appointed at an appropriate point on this scale. Further particulars may be obtained from the President of the Association, Mr. J. E. Reilly, c/o The Registry, The University, Canterbury, Kent. Enquiries should be marked Reference No. A11/82.

Applications (ten copies) naming three referees should be submitted to the President at the above address by the 30th June 1982. Any person who would like to propose the name of a possible candidate for the post on a confidential basis may write to the President at the above address.

John in 100

MANUFACTURERS HANOVER LIMITED

Manufacturers Hanover Limited is faced with an increasing demand for its services. It therefore requires people to join the existing team of executives responsible for the development and execution of international financial services in Latin America and the Iberian Peninsula. The appointments will be based in London but overseas travel will be necessary.

Applicants must be fluent in Spanish (and preferably also Portuguese) and should be aged from 25 to 35 years with experience of loan syndications and Eurobond issues.

Salary is negotiable and supported by a generous fringe benefits package.

Applications, including complete details of previous experience, should be sent to:

Mr. J. E. W. Bamford
Assistant General Manager
MANUFACTURERS HANOVER LIMITED
8 Princes Street, London
EC2P 2EN

McANALLY MONTGOMERY & Co.

Institutional Sales

Our expanding sales team requires additional people to market fully our research products. Wide equity knowledge and ambition are needed as well as the ability to work with specialised teams.

Electronics/Electrical Analyst

We wish also to appoint an established analyst in this sector to join our present team. The successful applicant will be a professionally qualified person with experience within the electronics industry.

The above are career opportunities and the remuneration packages to be offered will reflect fully the importance of these positions.

Applications to:
Robert Leigh-Wood
McANALLY, MONTGOMERY & CO.
Barber-Surgeons' Hall, Monkwell Square
Wood Street, London EC2Y 5BL
Tel: 01-726 6060

CREDIT MANAGER - PROJECT FINANCE

To £20,000.00

Equipment finance affiliate of leading U.S. bank requires a Credit Manager for its European regional office based in London. The successful candidate will exercise a significant degree of credit authority and be responsible for the evaluation and monitoring of all equipment finance transactions in Western Europe, Africa and the Middle East.

Previous experience will include not less than 3 years evaluation of corporate and project credits including active involvement in documentation of transactions. Familiarity with export credit programmes will be an advantage. In addition to an attractive salary, compensation will include usual banking benefits.

In the first instance please write or telephone:

Yvonne Emerson-Fish
Broad Street Avenue
11/12 Bloomfield Street
London, EC2

BANKING SELECTION 01-638 2901

Banking Personnel RECRUITMENT CONSULTANT

Age: 27-30 to £10,000

Since its inception in 1977, the name of Banking Personnel has become synonymous with the best in banking recruitment. Now, in order to meet the ever increasing demand for our services, we require a person of presence and initiative to join our close-knit team of consultants. While previous experience of banking recruitment is desirable, we would be equally interested in candidates with a general banking background.

Certainly, the successful candidate will be articulate and will present a genuine interest in furthering the career objectives of our candidates. If you'd like the join a highly successful team which is part of a yet larger private group of agencies, please contact, in confidence, MARK STEVENS (General Manager).

41/42 London Wall, London EC2. Telephone: 01-588 0781

RESEARCHER

Herring Son & Daw, a firm of Chartered Surveyors specialising in commercial property, based in the West End and operating throughout the U.K., require a researcher to develop a wide range of projects.

Previous experience in the property field is not essential. The successful applicant will be expected to work with the minimum of guidance and therefore will require a degree of flair and initiative.

Salary and benefits will depend on the age and experience of the successful applicant.

Please reply in confidence to:

Ref: PCCS

 Herring Son & Daw

Chartered Surveyors
26-28 Savile Street
London W1X 2QL
01-534 8155

EUROBOND DEALERS/SALESPeople

£14K to £25K

We have been retained by several clients to introduce to them EUROBOND DEALERS/SALESPeople who have experience in FIXED RATE NOTES, FLOATING RATE NOTES, DOLLAR STRAIGHTS, CONVERTIBLES, NEW ISSUES and of course PRIMARY AND SECONDARY MARKETS. Salaries and benefits range between the band quoted above and reflect the importance of the positions we have to offer.

We also seek Eurobond settlements staff with experience of Euroclear and Cedel, contracts, confirmations and instructions. Salaries ranging up to £9,500.

In the first instance ring 01-493 1574 to arrange an interview

 Trek
Recruitment
(London)
01 1574

International Appointments

INTERNATIONAL APPOINTMENTS ARE
CONTINUED ON FOLLOWING PAGE

CONTROLLER PARIS

Our client is a rapidly growing U.S. firm which specialises in commercial brokerage and leasing of computer hardware and other capital equipment. In recent years, the company began operations in Europe and the scope of the business requires the creation of a controllership function in its Paris headquarters. The controller will immediately assume responsibility for all accounting, taxation and currency hedging operations. Future involvement in structuring leasing arrangements is expected.

Candidates must meet the following minimum qualifications:

- Two or more years' employment in a French subsidiary of a U.S. company
- Four years' experience in controllership functions
- Full knowledge of French V.A.T. and income taxes
- Superior academic credentials
- Fluency in French and English

The expectation is that this position will expand in scope and responsibility as the company enlarges its European operations. Compensation commensurate with past experience.

Interested parties should send their c.v. in complete confidence to: Ralph Dieckmann, DIECKMANN & ASSOCIATES, 618 Fullerton Parkway, Chicago, Illinois 60614.

ACCOUNT OFFICERS

IN THE CORPORATE BANKING FIELD.

SUCHSKILL CANDIDATES (MALE OR FEMALE) WILL BE DIRECTLY RESPONSIBLE FOR ALL CONTACTS WITH MULTINATIONAL COMPANIES.

IDEALLY, APPLICANT'S BACKGROUND SHOULD INCLUDE:

• A LEADERSHIP POSITION; □ 3 TO 5 YEARS EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• FLUENCY IN FRENCH AND ENGLISH; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• A SOUND LANGUAGE ABILITY; ENGLISH IS A MUST.

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □ 3 YEARS' EXPERIENCE IN DEALING WITH COMPANIES FROM THE FOLLOWING COUNTRIES;

• PRACTICAL KNOWLEDGE OF COMPUTER SYSTEMS; □

International Appointments

Banking-Operations Manager

Nigeria 30/35 c £25,000

Our Clients are one of the major forces in international banking. They are expanding their already substantial coverage in West Africa by setting up a Banking operation in Lagos. They will be doing this together with local interests and around forty people will be employed. They seek a person to head up the Operations area which will include Letters of Credit, Cash Department etc.

The job will suit a thirty to thirty-five year old Overseas Clearing or Merchant Banker who has extensive experience of Operations Administration. Ideally, but not essentially, the person appointed will already have experience of working in an expatriate situation—preferably in West Africa.

A generous salary will be supplemented by yearly two-month home leaves, housing, car etc.

Please write in the first instance to Colin Barry, at Overton Shirley and Barry, (Management Consultants) Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-583 1912.

Overton Shirley
and Barry OSB

Dr. Helmut Neumann
Management-Beratung

PLANT MANAGER CHEMICAL INDUSTRY

We belong to one of the largest groups of companies in South-East Asia with main activities in the industrial and servicing field. The task of our new company will be the processing of products within the chemical industry (oils and fats). The plant will be set to work in 1984 and should reach its total production capacity within one year.

We are looking therefore for a Plant Manager, preferably with experience in the fat and oil industry or similar industries. The Plant Manager has full responsibility for the production which is divided in three divisions. Specialists are in charge of each division and responsible for the production program prepared by the Plant Manager. In addition the Plant Manager is responsible for storage facilities and transportation which are separate divisions. Maintenance, repair, spare-parts storage and supply, general security and planning works are part of his job and will be coordinated by the Plant Manager. Your educational background is that of a process or chemical engineer or a chemist and you have at least 10 years experience as Works or Plant Manager. You are familiar with cost calculation, budget responsibility as well as all technical aspects in order to run such a plant. Apart from the overall operational responsibility you are also responsible for most of the personnel—including planning and recruitment particularly during the initial phase. We expect you to look after the details despite the fact that all divisions reporting to you are managed separately. Personal engagement and a definite understanding of local conditions are essential. Apart from your professional experience, your willingness to work with people of different mentality will be necessary to reach the general task. You will have sufficient time to get acquainted with your new job. Fluent English is required. Salary, fringe benefits and terms of contract will meet the usual standards.

Should you be interested in obtaining more details about this challenging position please contact our management consultants, Dr. Helmut Neumann, Management-Beratung GmbH, Röhrmarkt 23, D-6000 Frankfurt, telephone 0611 (code) 290001, or send your full application together with C.V., which will be treated in strict confidence, quoting the reference no. 3534/FT.

EDP PROFESSIONALS FOR DUBAI AND LONDON

A progressive and rapidly growing U.A.E. Bank which has embarked on automation of all its U.A.E. and Overseas banking operations requires immediately, enthusiastic, skilled and highly-motivated E.D.P. Professionals for its Data Centres in Dubai and in London.

Senior Systems Analysts: (Ref. SSA-002)

The ideal candidates must possess strong communication skills in English, should be able to lead and motivate other team members, must possess at least five years' analytical experience of evaluating, designing and implementing application systems. They should have handled at least one major on-line banking application project from feasibility study to its implementation on IBM and/or NCR mainframes.

Systems Analysts: (Ref. SA-005)

The candidates must be team-oriented individuals having at least three years' experience in analysing, designing and implementing application systems, especially in the on-line banking environment.

Senior Systems Programmer: (Ref. SSP-002)

The ideal candidate should be strong in assembling and must possess system programming skills in DOS/VSE and CICS/VS. He/she should be fully conversant with the PUT process and must be able to generate, maintain and support DOS/VSE, CICS/VS, VTAM and related software products independently. Experience with on-line banking software will be a definite asset but is not mandatory.

We offer an attractive salary and fringe benefits package depending on the qualifications, experience and location of assignment. If you are confident of your knowledge and skills and feel qualified for any of the above positions, please send your résumé, indicating salary expectations for London/Dubai, within 10 days from the date of appearance of this advertisement, quoting appropriate reference number on the cover to:



Mr. S. R. F. Garshore
Senior Manager
MIDDLE EAST BANK LIMITED
Licensed Deposit Taker
1, Lombard Street
London EC3V 9AA
Tel: 01-283 2201/6

INTERNATIONAL APPOINTMENTS
APPEAR EVERY THURSDAY
RATE £29.00 PER SINGLE COLUMN CENTIMETRE

BANK OF BOTSWANA

Monetary Economist

Applications are invited for a senior post in the Research Department of the Bank of Botswana—which is the Central Bank of Botswana.

The post requires an economist with considerable experience in the following fields:—

- (a) Monetary and Banking Policy
- (b) Investment of Foreign Exchange Reserves
- (c) Interest and Exchange Rate Policy
- (d) Credit Control Policy
- (e) Balance of Payments Problems.

The incumbent will help to formulate advice to the Governor of the Bank and other parastatal bodies on issues of a macroeconomic nature.

This post is available immediately.

The ideal candidate will have the following academic qualifications:—

- (a) Ph.D plus three years' relevant experience
OR
- (b) M.Sc plus six years' relevant experience.

Salary

Approximately P29 000 including Inducement Allowance plus 25% tax-free gratuity, passages, education allowance etc. (Current rate of exchange: Pula 1 = U.S. Dollar 0.9702).

Applications including a curriculum vitae should be sent to the Director of Administration, Bank of Botswana, P.O. Box 712, Gaborone, Botswana.

Further details can be supplied on request.

FINANCIAL EXECUTIVES OVERSEAS APPOINTMENTS CURRENTLY EARNING £15,000 - £40,000

Michael Page International is a specialist recruitment consultancy with a highly successful record in international recruitment of career and contract appointments. We wish to hear from qualified accountants of superior ability with a track record of significant achievement.

Perhaps your current appointment is fulfilling your immediate career needs, but nevertheless you are interested in future opportunities suitable to your long-term ambitions. Conversely you may be actively seeking a new appointment now. In either case, we will be pleased to discuss your specific requirements at any time. We can offer positions based in many countries of the world and naturally we will be especially pleased to hear from those with previous work experience abroad.

Initial contact will be established by sending a brief curriculum vitae to John Sheildrake, Manager, Michael Page International, 31 Southampton Row, London, WC1B 5HY. Tel. No. 01-405 0442. Telex. 296091. He will treat your interest in the strictest confidence.



Michael Page International
Recruitment Consultants
London Birmingham Manchester

International Banking

The International Division of this specialist Bank Recruitment Consultancy carries a wide ranging portfolio of assignments including the following:—

AUDITOR — Singapore	.....	local \$
LENDING OFFICER — Geneva	.....	SW FR 80,000+
FINANCIAL ANALYST — Paris	.....	FF 170,000
CHIEF FX DEALER — Kuwait	.....	\$75,000
SYNDICATIONS OFFICER — Munich	..	DM 70,000
SENIOR ACCT OFFICER — Stuttgart	..	DM 80,000
EUROFUNDING MANAGER — Caracas	....	neg.
FX DEALER — Bahrain	.....	\$55,000
SHIPPING EXECUTIVE — Piraeus	.....	\$40,000

Jonathan Wren
Banking Appointments

If you are interested in these or other opportunities please write in confidence enclosing a detailed curriculum vitae to Roy Webb, Jonathan Wren & Co. Ltd., International Division, 170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266. No identities divulged without permission.



Data Processing Manager-Dubai

The National Bank of Dubai Ltd Dubai, United Arab Emirates, is in the process of undertaking computerisation of its systems and requires an experienced Data Processing Manager with five years' experience in a similar capacity in a commercial bank. Applicants should have experience implementing a bank computer operation and should be able to undertake in addition some systems analysis and programming.

Salary and terms of service are negotiable.

Interested parties should apply as soon as possible giving full details of career and experience ensuring that a telephone contact number and the earliest date at which employment could be undertaken is included. Interviews can be arranged in London.

Applications should be addressed to:

The General Manager
The National Bank of Dubai Ltd Dubai
P.O. Box 777, Dubai
United Arab Emirates

Investment Management Marketing

A major Middle East Bank in the Gulf is planning to extend its investment management services. We are seeking an experienced banker, aged 35 plus, who has spent several years in the marketing of multi-product international asset management services.

He will be responsible for the development of these services and will be expected to build up and supervise a team as the activities expand. He should be willing to travel extensively in the region. A knowledge of Arabic would be an advantage.

The salary will be negotiable in the region of U.S.\$60,000 per annum with generous benefits. Applicants are requested to send a curriculum vitae to Box A7868, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY, marking the envelope "Investment Management Marketing".

CHIEF EXECUTIVE

R.A.C. INSURANCE PTY. LTD.

Location: PERTH, WESTERN AUSTRALIA
Due to the continuing expansion in 1982 of the current Chief Executive of RAC Insurance Pty. Ltd. in Western Australia, we are seeking highly capable individuals to fill these roles. RAC Insurance is recognised as market leader, an extremely successful and innovative company in Western Australia, and the successful applicant must be someone who can accept the challenge that the industry and the company presents.

DESIRED QUALIFICATIONS: An experienced executive, report directly to the Board, and be responsible for all operational matters of the company, with assets exceeding \$40 million and a staff of 140. The Company's main fields of operation are motor vehicles and the private dwelling insurance area.

QUALIFICATIONS: The person we are seeking must be a very successful individual who is used to making decisions and who has a thorough knowledge of the insurance industry. He should be conversant with investment portfolios, have a good deal of entrepreneurial flair and be the sort of individual who is able to continue the aggressive thrust in the insurance field for which RAC is well known. It is unlikely that anyone under the age of 35 would have the necessary experience to qualify him as an applicant for this position.

REMUNERATION: An extremely attractive remuneration package reflecting the responsibilities will be negotiated. This will include a substantial salary plus other benefits.

APPLICATIONS: Confidential. Written applications should be forwarded to the address below, including full particulars, a contact telephone number and mentioning "WANTED: CHIEF EXECUTIVE". Applications may be made by telephone to Mr. J. D. Morgan 092 2254 (U.K.).

JOHN P. YOUNG & ASSOCIATES (WA) PTY. LTD.
Management Consultants

19 Ord Street, West Perth, Western Australia 6005

MANAGER CREDIT DEPARTMENT

A leading German bank requires a suitable applicant for the above position who must have extensive knowledge and experience of all aspects of marketing and credit analysis.

The successful applicant should be reasonably fluent in written and spoken German and English language but extensive tuition will be given to the right applicant. Lending experience and marketing is essential as well as the motivation of a team.

The position offers a first class opportunity. Excellent salary and usual fringe benefits will apply.

Write in strict confidence giving full details of experience to:
Box A.7863, Financial Times,
10 Cannon Street, London EC4P 4BY

Jeff in 150

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

ADVERTISING

New Town criers in a fight for jobs

BY RAYMOND SNOODY

IN A bid to avoid the spectre of high levels of unemployment now associated with old towns, Britain's new towns are set on a rapidly expanding advertising programme. This is aimed at attracting new industry and could well result in a 1982 expenditure of over £10m, compared with the MEAL total of £5.9m for 1981.

"Heavyweight" new towns such as Warrington and Milton Keynes will probably spend about £1m on promotion this year, while their North-East colleagues Aycliffe and Peterlee have combined their efforts in a joint promotional budget of around £500,000.

The stage has been reached, according to Alex Penman, who coined the slogan "Corby Works" for Corby new town (and who once worked on the Lever Brothers advertising account), where the new towns marketing battle is every bit as cut-throat as were the detergent wars in their heyday. Corby is itself planning to spend considerably more this year on advertising than the £330,000 it spent in 1981.

Yet outside the big spenders—with their cacophony of catch-phrases like "Peterborough effects", "Pardon me boy, but is that the Milton Keynes choo choo?" and Cwm Rhondda sung by the Welsh Development Agency choir to the strangest of words—one of the country's smaller new towns has been mounting a very effective advertising campaign that last year cost just £30,000.

Livingston, situated 15 miles west of Edinburgh, has found one answer to attracting investment by using small posters on the London Underground. Over the past 10 years millions of people have subconsciously absorbed the message "Make It In Livingston" as they have swished past at escalator speed and perhaps smiled ruefully at their own interpretation of the slogan.

In the beginning, when little was made in Livingston, the posters carried "mythical" products such as watering cans, pliers and cheese graters. Now, the 350 poster sites on the Underground are small shop windows to announce the latest move to the town of a pharmaceutical or micro-electronic company, for instance.

"The poster campaign on the underground is the backbone of our UK campaign in the South. The aims are to achieve both frequency and permanence," says Oliver Thomson, managing

director of Livingston's agency Charles Barker (Scotland) Advertising. He also believes it is the most effective use of scarce resources. Livingston's advertising budget of £30,000 last year came out of a total industrial and commercial budget of £200,000, excluding salaries.

This year this will rise by 25 per cent in an attempt to reverse last year's dip in employment when the town lost a net 200 jobs—although this might be less when the final figures are available.

No one imagines, however, that the underground ads will stop an executive in his tracks and make him head for the border. The hope is that one day "residual imagery" might have an effect.

It was ten years ago that Charles Barker put up the slogan "Make it in Livingston" in its original presentation and since then even the typeface has stayed the same.

Pertinent

Every year the agency sits down with Livingston officials and wonders whether the time has come for a new campaign, and every time they decide that the simplicity and directness of the slogan is too useful to discard. "The slogan is so pertinent to an industrial agency that we have found nothing better to supersede it," says Thomson.

There are also the benefits of stability. Glenrothes, he points out, did not always have "Busy Bees" in its advertising, and Irvine has not always used a seagull to emphasise the fact that it is the only new town with a beach.

"We have been consistent over a period of 10 years. There are 50-100 areas of the UK saying different things about themselves which are not particularly meaningful. There is much confusion and conflict," Thomson says.

But however effective the "residual imagery" may prove to be, Livingston's posters can often benefit the companies they depict. For instance, Carrick Jewellery, which specialises in Celtic designs, received orders for the Canadian and Australian markets for the first time as a direct result of appearing in a "Make it in Livingston" poster, because executives of David Jones stores in Australia and Eaton's in Canada had seen

the posters while on holiday in London.

There are drawbacks, however: the posters can be overtaken by events. Last year two companies—MFE, a floppy disc maker, and Yale, a security company, decided to make it no longer in Livingston while the posters featuring them were still up.

The ambiguity of the slogan also caused the Development Corporation to drop a glamorous poster advertising a company making tights. Apart from its posters, Livingston also advertises in the quality British press and in economic and specialist magazines in Britain and the U.S.—where Livingston becomes "Incentivesville Scotland".

"It's a pretty crude Americanism," says Thomson. But it seems to work. A single such advertisement in Fortune magazine brought 600 inquiries although only about 100 were serious and it might be a long time if ever before jobs re-

suited.

Livingston officials also carry out selective mail shots in the U.S. and this year plan to attend exhibitions—particularly in the pharmaceutical field.

"We are selling the concept of inward investment and that is one of the most competitive areas today," says Thomson. Apart from the UK many areas of Europe and the U.S. are all competing against each other.

So how effective is Livingston's promotion and to what extent are new investment and new jobs directly attributable?

James Pollock, commercial director of Livingston Development Corporation, estimates that perhaps 40 per cent of serious inquiries have been influenced by the advertising campaign.

But Livingston's greatest prize in recent years—the sort of development that all the new towns dream about—seemed to owe little to advertising campaigns.

In the early 1970s Dr Atsushi Ouchi, senior executive vice-president of NEC, the Japanese electricals giant, visited Livingston but eventually set up a factory in the Irish Republic.

Livingston now quotes Masaru Nakamura, managing director of NEC (Europe) as saying: "Of course many countries hoped that we would locate with them, but at the end of the day Livingston turned out to be the best location in Europe to our mind."

Apart from the grants, he cites the fact that Edinburgh international airport is 10 minutes' drive away, and seven of Scotland's universities are within 40 miles.

Livingston hopes that the presence of NEC will help to attract other high-technology companies. One company—Micro-Image Technology—has already been drawn to the town to supply very pure chemicals to semiconductor manufacturers.

Nationally these are hard times for Britain's new towns. Although their populations have grown—to over 2m—there has been a decline in jobs. Last year there appears to have been growth in employment in only two towns: Peterborough, Northampton, Milton Keynes, Peterlee and Aycliffe, and either no growth or a fall in the other 23.

Livingston lost 21 companies last year and gained 31—but those it gained were smaller than those lost.

With a population of 38,000, Livingston now has an unemployment rate of 17.8 per cent although the rate is heavily influenced by the presence of such unemployment blackspots as Bathgate on its doorstep.

"Taking into account the overall economic situation with the country and Europe we have been relatively successful. But we are like a cuckoo chick in the nest. Our mouth is always open and we would like a lot more," says Pollock.

Livingston's business of attracting investment can be very



Hugh Routledge (left) and Oliver Thomson: Livingston's poster campaign generates 300-400 serious inquiries a year

The blinkered engineer

ONE OF the more subtle reasons advanced for the decline of the UK's industrial competitiveness is the persistence of Britain's singular social structure. Just as class divisions continue to shape the pattern of everyday life, so craft and professional jealousies play too great a part in the conduct of industrial affairs.

According to this theory, historical tensions between business professions can be a real impediment to successful marketing: what ought to be a straight line between the consumer and the manufacturer—the buyer and the seller—is twisted by departmental rivalry, mistrust and secrecy which find their outlet in time-consuming office politics and expensive commercial mistakes.

Taking the argument further, if the accountant understood the technician, the technician understood the salesman (and everybody understood the worker), then customers would stand a better chance of getting the products they wanted at prices they were prepared to pay.

If that sounds like a glib business school catechism, that is because it is one. Nonetheless, it appears to express the feelings that some managers have about their own business.

It certainly seems to be the experience of group of senior managers who recently took part in a four-day course at the Henley Management College entitled "Marketing for Engineers". The six participants, whose companies range from very small to very large, all have engineering or scientific backgrounds and are now responsible for product development.

They were asked to consider, in effect, why it is that salesmen love their customers but engineers love only their products. Why, in Britain, is marketing seen as a separate function when it ought to be infusing the whole corporate effort?

What follows is an anonymous collation of observations made by the six managers at the end of their course. One remark may serve to summarise the problem of professional demarcation: "It's almost as if people despise engineers. And sometimes when engineers are in charge of companies they take their revenge on the others."

Never mind the product—sell yourself to the engineers



reputation in the outside world of being highly market-oriented, the men responsible for the bulk of the technical support for the company's products are housed in a far corner of the factory site. They communicate with the rest of the management by telephone or hand-delivered memo.

If a company's technical support is weak and slow, undermining the efforts of the marketing and sales people, it may be because engineers have no marketing training, let alone customer contact.

That is not to say that all engineers are fitted for customer contact. It is important, as one put it, to identify those engineers that "smell"—that is, who come across easily with clients. But giving all engineers marketing training is not only good for business, it makes recruitment of technical salesmen easier.

Professional jealousy can be much more expensive than shop-floor demarcation. For instance, engineers assigned to a project may have a very good intuitive sense that the project will flop but have neither the means, nor the inclination, to warn the rest of the management. A mis-conceived project can survive too long. If the manager in charge is enthusiasticly committed to it, it may be even harder for those working under him to voice their suspicions.

To overcome the worst of these problems, it was suggested that engineers, salesmen and financial planning managers should be involved at the start and throughout the life of a product's development. They should discuss marketing strategy, obsolescence, compatibility with other products, mid-life "enhancements" and feedback from the market.

New products might be removed from the design department and taken into the marketing department, along with high-calibre engineers. The walls of secrecy between departments should be knocked down. Engineers should be taught to think like salesmen.

In short, marketing should become a collective job, not a specialist one—a conclusion that might suggest that the best marketing director is a redundant one.

Christian Tyler

Word-processing... Five directors said 'Yes'. One secretary said 'No!'

Green type flickering over a black screen! Not the easiest innovation to sell to a trained secretary. So that vital decision to adopt word-processing gets put off yet again.

It's not fear of new technology, but irritation with new operating conventions that's holding up progress.

Enter the world's first 'conventional' word-processor.

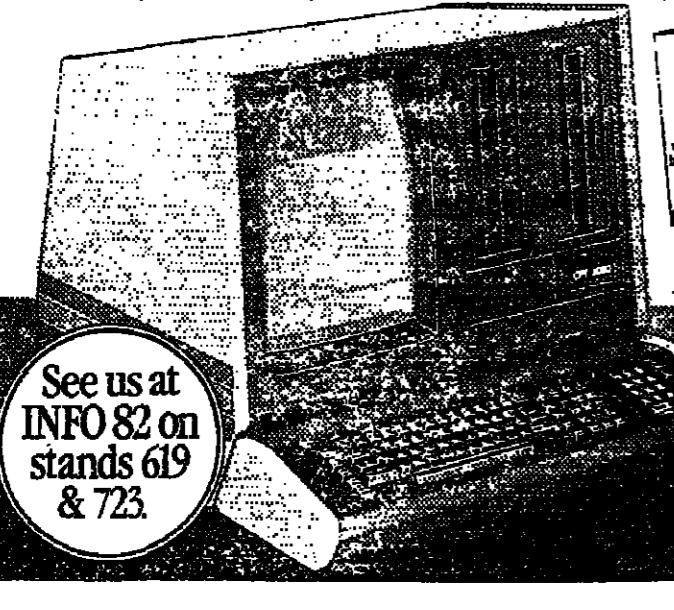
The CPT 8000—an advanced standalone that handles like paper. Your secretary types clear, carbon-black characters on a flicker-free, white, A4 electronic 'page'. As she types, the page scrolls up, line by line, from the fixed-position typing line—like paper always has.

And to edit, delete or add text, she doesn't have to search the whole screen with a cursor. She simply overtypes, in the time-honoured way—on the typing line.

But this is not just the easiest word-processor to sell to your secretary...

CPT 8000 is one of the most advanced standalone systems available.

Simple operation. The unique, fixed typing line clearly shows complete margin, tab and spacing data—all automatically disk-recorded.



obviating the need for constant resetting. Below the typing line is a preview area which allows the typist to display text requiring alteration. Any portion of text, from a single character to a whole document, may be edited by simple key operation.

Effortless handling of text—Paragraph assembly, text and document merge, selective retrieval, automatic centring, simple forms design, automatic underline, decimal alignment, alphanumeric sort and automatic page numbering are just a few of the simple operations available.

Expandable—The CPT 8000 can drive two printers simultaneously. Alternatively, a mix of up to four keyboards can share one printer.

Software options—In addition to the wide range of standard functions, CPT offer options which include a simple but powerful maths package, basic accounting, scientific symbols, over 15 foreign languages, including Arabic, and communications with other office systems.

To help you sell word-processing to your people, there's a free booklet—'The case for word-processing in black and white'. Ironically, it's in full colour! Just post the coupon for your copy.

CPT
The future of word-processing
in black and white.

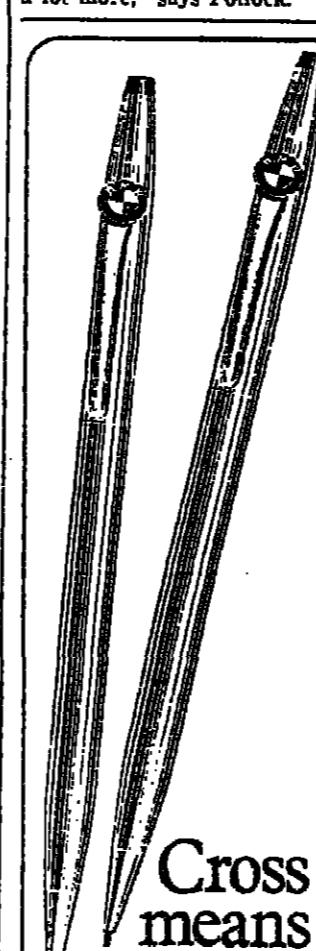
To: CPT (UK) Limited, 48 Berners Street, London, W1P 3AD.
Tel: 01-568 2951.

Please send my copy of 'The case for word-processing in black and white'.
 Please arrange for your sales representative to telephone me.

Name _____
Position _____
Company _____
Address _____

Postcode _____ Tel. _____

See us at INFO 82 on stands 619 & 723.



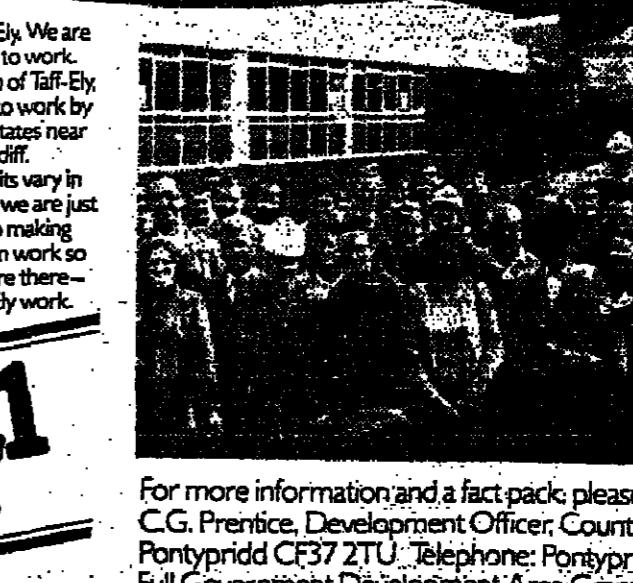
CROSS
SINCE 1846
1/15 CONCORDE STREET
LUTON, BEDFORDSHIRE
TEL: LUTON: (0582) 427793

See us at INFO 82 on stands 619 & 723.

We want to work for you and for us

Cross means business
Your business friends will use and treasure your gift of Cross fine writing instruments with your corporate emblem. Perfect for stimulating sales and recognising achievement. Every Cross writing instrument is mechanically guaranteed for life. Send your corporate logo and Cross will send you a complimentary example of a similar clip emblem.

FROM
ONLY £1
per sq. ft.



For more information and a fact pack, please contact:
C.G. Prentice, Development Officer, County Buildings,
Pontypridd CF37 2TU. Telephone: Pontypridd 406441.
Full Government Development Area Grants available.

Glyndebourne

L'Amour des trois oranges

by MAX LOPPERT

The first new production of the 1982 Festival goes to Prokofiev, and to *The Love of Three Oranges* (the French title is given since it is in that language, as at the 1921 Chicago premiere, that the work is sung). This embodies a new direction for Glyndebourne: several further kinds of fresh impetus are provided by two American debutants, the producer Frank Corsaro and the designer Maurice Sendak, and by a cast which adds new names to a roster of Glyndebourne favourites; even the sponsor, Courtaul, enters the world of opera for the first time.

The result is a Big Show, one that consciously sets out to won the audience (and on Tuesday did so, to noisy final acclaim). It is a Corsaro Event, a Sendak Event, a carnival of popular stage routines, crowd-pleasing farce, and riotous business, jam-packed with brilliant visual invention. What it seems to me to be least of all is a Prokofiev Event, though this clearly worried the audience much less than, by the end, it had worried me.

As an elegant essay by Robert Henderson in the current number of *Opera* reminds us, Gozzi's revendication of the traditional values of the *commedia dell'arte*, Busoni's theories of the theatre as "magic mirror" and Meyerhold's revolutionary enthusiasms are the tributaries of inspiration that flowed into Prokofiev's second opera. In it, the Venetian *commedia dell'arte* is both revived and redefined, boldly presented to the audience and distanced from, newly enjoyed and turned topsy-turvy — it is a work very much a part of, and apart from, its time in its shaping of the Gozzi play into a farcical-fantastical kaleidoscope shaking out myriad dazzling patterns.

As the opera stands, it is already a precisely structured fantasy on more than one level — love story and magic lantern show, laced with elements of grotesquerie and "alienation" (the commenting, quarrelsome choruses prodding the action) that require no more (but also no less) from a production team than careful, fastidious laying-out on stage. And from the conductor, accurate and razor-sharp control of the score; for, in all its motor-driven rhythms, arrays of pungent, glittering instrumental colour, and brief, romantically lyrical disclosures, all purest Prokofiev, it is this that provides the opera's main stream. Even when the elements of farce or satire in the libretto threaten to blur or confuse, the music carries the audience.

Or should do. The trouble at Glyndebourne is that, in a



Fata Morgana appears to the Prince

frenzy of self-congratulatory cleverness, Corsaro and Sendak have obscured the stream and diminished the force of its current. Their visual inspiration was the magnificent series of Domenico Tiepolo frescoes in Ca' Rezzonico, lovingly picturing a troupe of actors, tumblers, punchinelli, hunch-backs, clowns, jugglers, saltimbancos, and stilt-walkers in action; and it is such a vision that greets the audience. The scenic devices, at first uproarious and brilliantly ingenious, are laid on with indiscriminate generosity, and accompanied by a knockabout of gratuitously added supers. The eye soon tires — and worse, the prolonged carry-on (even in the score's quieter patches) means that, figuratively and sometimes even literally, it becomes hard to hear what is going on.

Sendak, in addition to a cornucopia of drop curtains, quick-change screens, and bravura costumes, has designed some smashing stage machinery (Sphinx with articulated toes and a giant mechanical cook

notable among them — though the humour of both decreases rapidly after the initial surprise). At the same time he leaves the workable stage area pinched, and messy, crowded scenes are the result. The layered structure of the opera is further undermined by making it a show-within-a-show, given at the Théâtre Tiepolo at the time of the Paris Prince — all of this the purest product, impossible to sustain logically, good for little except an atmosphere of broad muddle.

By the time we reach the short, strangely enchanting love scene of the Prince and Princess, the showbiz send-up to which it is treated comes as no surprise; for streaks in the production of a rather dislikable kind of comic humour have already made themselves apparent more than once. The moving force of the production seems to have been Let's Do Something For Prokofiev; and it is sadly predictable that his contribution emerges at Glyndebourne (as it did not in

Festival Ballet's audiences expect to see *Swan Lake*). The ballerina curse of our age is that every audience expects to see *Swan Lake*, which is the one sure box-office draw, although there are not more than a handful of artists in the West fit to dance the leading role. Festival owned an unlovely staging which dated from 1966 and had nothing to recommend it. Hence Tuesday night's new production prepared by John Field from the basic Ivanov/Petipa text, with additional choreographies by Michael Pink and Maria Fay, and design by Carl Toms.

I do not suppose that Festival's audiences will complain of what they see. Mr Toms has set the action in a Gothic principality, most successfully in an opulent third-act ballroom, and he has dressed his cast with a plenitude of cloaks, late medieval swaggings and scalloping, and trailing skirts in fabrics pillaged from a thousand suburban sofas. Since every

new *Swan Lake* now has to have an "angle" — Siegfried drugged or deviate; the Princess Mother as villain; Chakovsky's 1877 score dragged from obscurity — Mr Field shows von Rothbart as a courtier sent packing by the Princess Mother, for no other apparent reason than that she doesn't like the cut of his jib, and taking up residence in a lake-side dwelling of the old-worlds.

All this matters little, for the text is largely traditional, although the new waltz sextet and peasant dance in Act 1 are pedestrian, and the national dances in Act 3 cabaret stuff that accord curiously with the 19th century manner which lies somewhere at the heart of the ballet in any version. (The Kirov's staging seems even more admirable in its consistent style atmosphere, a quality almost unknown in Western classic productions).

I do not know how fair it is to judge the company performance on Tuesday night's

interminable first showing. Orchestral playing was dull and tempi under Charles Vandernord were turgid. Much of the dancing reflected this, the first act pas de trois limped along, not helped by orange and silver tutus which struck horribly amid the old-worlds.

But that she is a most gifted dancer, and properly to be seen in the great ballerina repertory, is in no doubt. Her Odile has a cutting dynamic force and at every moment — and especially in her intense playing in the last act — we sense a refinement and distinction in skill and temperament that mark her from the common run of dancers. From Jay Jolley a serious, sensitive view of Siegfried. The simplicity of his manner, the clean schooling of his dancing, make for a figure of direct and attractive theatrical power. Further comment can wait until later viewings: this *Swan Lake* will clearly be with us for years to come.

Evelyne Desauter was the Odette-Odile; Jay Jolley her Odile. Miss Desauter, with her lightly stated dancing, her child-like air and tendril arms, is a most intriguing Odette who seems as remotely fair and unattainable as Mélisande. She has an exquisite technique, more romantic than classic in impulse, I would hazard, and

THE ARTS

Opinion 1/50

Coliseum

Swan Lake

by CLEMENT CRISP

Festival

Ballet's audiences expect to see *Swan Lake*. The ballerina curse of our age is that every audience expects to see *Swan Lake*, which is the one sure box-office draw, although there are not more than a handful of artists in the West fit to dance the leading role. Festival owned an unlovely staging which dated from 1966 and had nothing to recommend it. Hence Tuesday night's new production prepared by John Field from the basic Ivanov/Petipa text, with additional choreographies by Michael Pink and Maria Fay, and design by Carl Toms.

I do not suppose that Festival's audiences will complain of what they see. Mr Toms has set the action in a Gothic principality, most successfully in an opulent third-act ballroom, and he has dressed his cast with a plenitude of cloaks, late medieval swaggings and scalloping, and trailing skirts in fabrics pillaged from a thousand suburban sofas. Since every

new *Swan Lake* now has to have an "angle" — Siegfried drugged or deviate; the Princess Mother as villain; Chakovsky's 1877 score dragged from obscurity — Mr Field shows von Rothbart as a courtier sent packing by the Princess Mother, for no other apparent reason than that she doesn't like the cut of his jib, and taking up residence in a lake-side dwelling of the old-worlds.

All this matters little, for the text is largely traditional, although the new waltz sextet and peasant dance in Act 1 are pedestrian, and the national dances in Act 3 cabaret stuff that accord curiously with the 19th century manner which lies somewhere at the heart of the ballet in any version. (The Kirov's staging seems even more admirable in its consistent style atmosphere, a quality almost unknown in Western classic productions).

I do not know how fair it is to judge the company performance on Tuesday night's

interminable first showing. Orchestral playing was dull and tempi under Charles Vandernord were turgid. Much of the dancing reflected this, the first act pas de trois limped along, not helped by orange and silver tutus which struck horribly amid the old-worlds.

But that she is a most gifted dancer, and properly to be seen in the great ballerina repertory, is in no doubt. Her Odile has a cutting dynamic force and at every moment — and especially in her intense playing in the last act — we sense a refinement and distinction in skill and temperament that mark her from the common run of dancers. From Jay Jolley a serious, sensitive view of Siegfried. The simplicity of his manner, the clean schooling of his dancing, make for a figure of direct and attractive theatrical power. Further comment can wait until later viewings: this *Swan Lake* will clearly be with us for years to come.

Evelyne Desauter was the Odette-Odile; Jay Jolley her Odile. Miss Desauter, with her lightly stated dancing, her child-like air and tendril arms, is a most intriguing Odette who seems as remotely fair and unattainable as Mélisande. She has an exquisite technique, more romantic than classic in impulse, I would hazard, and

to suppose that this piece would have seen the light of day without John Paul's impending visit. It is that respect, the evening is just one more faintly distasteful episode in the publicity build-up. Only

Mr Carson and Lalla Ward (as the young girl) emerge from the soporific débâcle with anything resembling credit.

Christopher Blake and Hannah Gordon



Leonard Bur

to suppose that this piece would have seen the light of day without John Paul's impending visit. It is that respect, the evening is just one more faintly distasteful episode in the publicity build-up. Only

Mr Carson and Lalla Ward (as the young girl) emerge from the soporific débâcle with anything resembling credit.

Christopher Blake and Hannah Gordon

to be her own husband. There follows some obscure application of the wise and foolish virgin's proverb.

Playwrights — and the Pope

is no exception — always commit

to a cardinal sin when subduing

in the publicized build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

respect, the evening is just one

more faintly distasteful episode

in the publicity build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything

resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

respect, the evening is just one

more faintly distasteful episode

in the publicity build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything

resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

respect, the evening is just one

more faintly distasteful episode

in the publicity build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything

resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

respect, the evening is just one

more faintly distasteful episode

in the publicity build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything

resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

respect, the evening is just one

more faintly distasteful episode

in the publicity build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything

resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

respect, the evening is just one

more faintly distasteful episode

in the publicity build-up. Only

Mr Carson and Lalla Ward (as

the young girl) emerge from

the soporific débâcle with anything

resembling credit.

Christopher Blake and Hannah Gordon

to suppose that this piece

would have seen the light of

day without John Paul's

impending visit. It is that

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday May 27 1982

Well, perhaps, Minister . . .

STUDENTS OF bureaucracy now have a new source-book: the report of the tribunal set up four years ago to determine who was to blame for the financial collapse of the Crown Agents. The disaster was unique, as disasters nearly always are; the causes were not unique at all. Since the country is at present suffering tragic losses on account of another disaster, which must itself have appeared to those concerned as a trivial and annoying side-issue until it erupted, the lessons are not specific to this particular affair; they are general.

The general picture is summed up in one of those pithy statements which tribunal lawyers so relish writing, and which make their reports so rewarding to study.

Investment

"There was a great deal of activity, with many papers passing to and fro, which only concealed the fact that nothing was being achieved. Many meetings, both departmental and inter-departmental, were called with no definite purpose and ended without anything having been decided and no course of action having been agreed. The situation cried out for someone to use some common sense, show some initiative, and grapple with the problem. But nobody took the lead."

The facts are in a sense straightforward. The Crown Agents, handling funds on behalf of colonies and ex-colonies, had like Topsy, just grown, and seemed to be accountable to no-one for their activities. These included investment, first modest and later disastrously risky, of their own funds.

Investigation

The dangers of this situation were appreciated quite early by some of the junior officials involved, who emerge with considerable credit; they were perceptive and wanted to take action. At a more senior level, however, the very notion of danger, as it then seemed, of a contingent liability to cover any losses did not seem pressing; understandably, the top men in the Treasury and the Bank of England thought they had more pressing worries. The permanent secretaries at the Ministry of

Overseas Development seemed unable to grasp what the problem was. They were not expert in finance; nor, unfortunately, were the Crown Agents.

As a result there was first almost a conspiracy to let sleeping dogs lie — "I have a strong predilection to let the matter rest," as one mandarin noted.

Later, when public concern was aroused — partly by Press investigation — it was decided to treat the problem as one of organisation, not of immediate and urgent financial action.

As the financial crisis built up, therefore, the senior officials happily busied themselves with four different proposals for constitutional reform, drafted after long consideration by the Stevens committee, while the Agents were left quivering in the depths of a highly undesirable company.

Even, when the secondary banking crisis erupted, and the collapse of the Stern property empire — to which the Agents had lent heavily — was obviously imminent, nobody thought to warn the Treasury for some time that the Agents themselves were also bust.

Problems

Many distinguished people are criticised or censured in this long tale of embarrassment and indirection; it is particularly notable that nobody senior ever thought to authorise a full investigation of the facts. Again, the parallel of an embarrassing problem covering more than one department with a lack of intelligence-gathering, let alone contingency planning, is bitterly uncomfortable now.

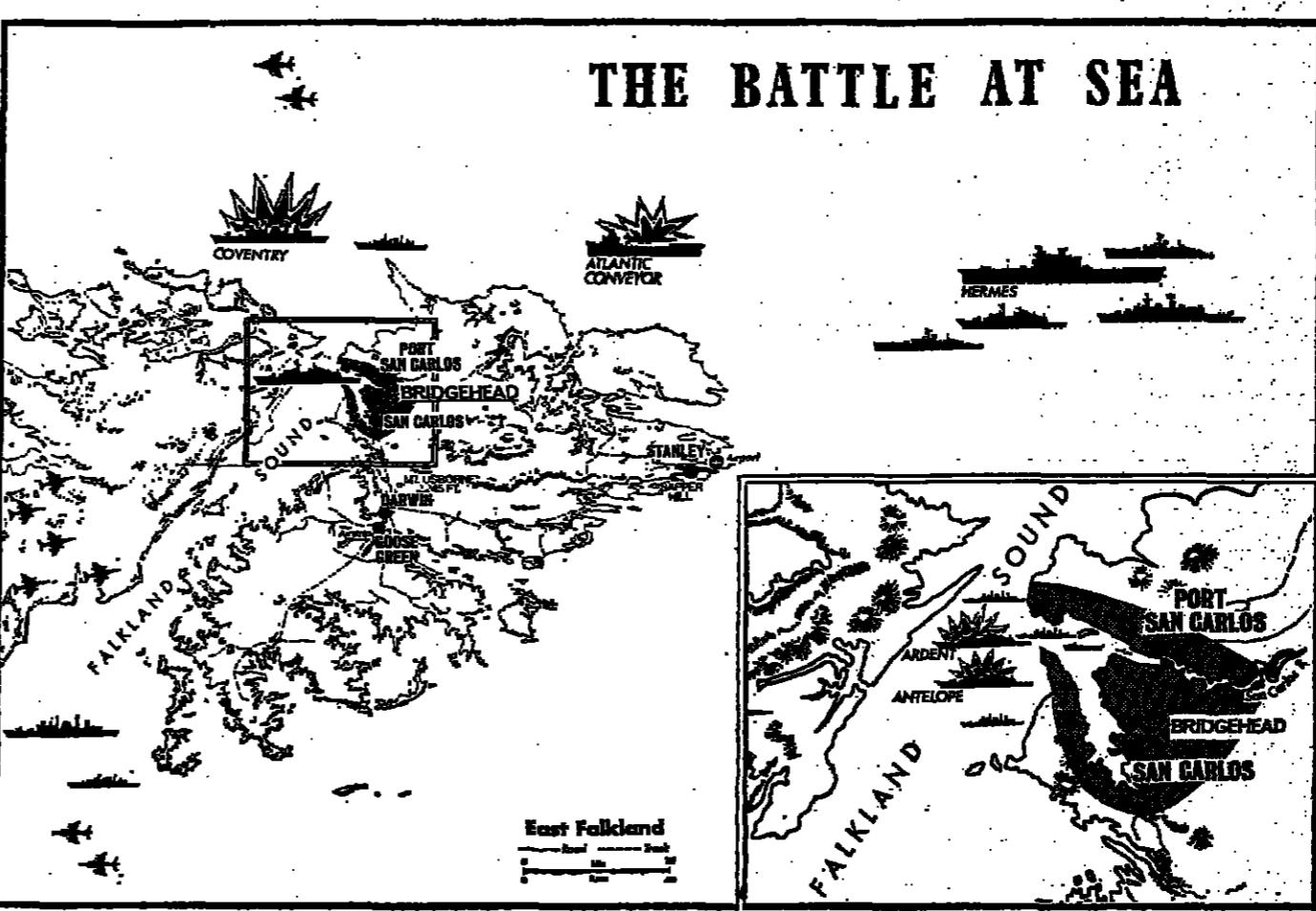
Can we do better? Busy officials are always likely to be caught out by what appear to be peripheral problems, and it is hard to blame most of the principals in the drama. All the same, two lessons do suggest themselves. One is that there should be a larger place in Whitehall for teams focused not on the responsibility of a particular minister, but on the solution of a particular problem — a task force in good time, as the Government itself was suggesting last weekend?

If so, is the Falklands campaign destined to escalate in a way which the British electorate and international opinion will find unacceptable? Some of these critical ques-

THE FALKLANDS CAMPAIGN

The hazards that lie ahead

By Bridget Bloom, Defence Correspondent



BRITAIN has "completed" the most hazardous part of the landing operation. We have large numbers ashore and we are going forward to repossess the islands. So said Mr John Nott, Defence Secretary, when he announced on Tuesday night that a British warship had been seriously damaged in a "mass air attack" in the Falklands.

Yesterday, Mr Nott confirmed in the Commons that not one but two ships had been sunk. There were other reports, unconfirmed yesterday by the Ministry of Defence, that yet another frigate had been damaged in the same action.

The sinking of HMS Coventry and the abandonment of the Atlantic Conveyor after it had been hit by at least one air-launched Exocet missile throws several key questions into stark relief.

Was Mr Nott right that the most dangerous phase in the Falklands war was over? Or have he, the Prime Minister and Britain's defence chiefs greatly underestimated Argentina's will to fight and the difficulties which stem from that?

More specifically, how have Argentine aircraft, despite being shot down in some numbers, still managed to penetrate the Task Force's protective screen and destroy about a quarter of the warships sent as part of the original Task Force.

Was the sinking of the two ships on Tuesday evening a last desperate fling by the Argentine airforce? Do the reinforcement warships which Mr Nott had said are now with the fleet mean that the dangers are now mostly over and the land forces can push ahead to capture Port Stanley?

Or does the damage done to the British fleet, and the danger still presented by the Argentines (who have yet to commit their Navy to the fight) mean that the campaign is far from being over in a few days, as the Government itself was suggesting last weekend?

If so, is the Falklands campaign destined to escalate in a way which the British electorate and international opinion will find unacceptable?

Some of these critical ques-

apparently been prepared to remain in such a vulnerable position for the last six days.

The landings in the San Carlos area before dawn last Friday did obviously mark a new phase in the campaign. The Defence Ministry refuses to say how many troops were landed — estimates range from 3,500-5,000 marines and paratroopers.

The troops were landed with only three casualties, remarkably little opposition from Argentine shore garrison, and since the troops disembarked, at night, there were no air attacks.

But the key point is that several thousand men intent on recapturing islands the size of Wales do not travel light. "A phenomenal amount of kit" is how one officer described what has been offloaded. It ranges from food for the men, shore hospitals for the injured, Scorpion and Schmitt light tanks for moving across difficult country, Rapier anti-aircraft missile systems, ammunition to last at least a month's campaign, aluminium netting for makeshift airstrips, earth-moving equipment for digging trenches or establishing airfields, and much else besides.

All this was loaded mechanically, off proper docks, in the UK or Gibraltar. But now it is being offloaded — apparently round the clock — in a much more primitive manner, onto small landing craft and thus to the beaches.

The key military point is that the whole operation — perhaps involving as many as 30-40

supply ships moored in the San Carlos bay, a narrow stretch of quite open water — has had to be protected.

The diagram shows how short-range or point defences against incoming aircraft include the crude naval guns lashed to any available deck or machine gun ashore through to the sophisticated missiles aboard some ships and onshore. The latter, the Rapier and the shoulder-launched Blowpipe, were landed with the troops.

The next layer of protection is provided by the general purpose frigates stationed out in Falkland Sound — not quite so narrow a stretch of water, but still open and not allowing ships like the Antelope and the Ardent, sunk after action at the weekend, enough manoeuvrability against very fast, very low incoming jets.

At either end of the Sound are the radar pickets like Coventry, Type 42 destroyers, whose role is area defence. Above them and ahead, if necessary, are the intercepting Harrier jump jets, based on Hermes and Invincible, which are presumed to be stationed to the east of the Falklands, just out of range of Argentina's shore-based aircraft.

Ahead of the Harriers should be an early warning aircraft like the US Awacs — but Britain has none with the Task Force. British early warning Nimrods will not be in service until next year. Those in the area are equipped only for maritime reconnaissance. "If we had Awacs, not one of those Mirages or Etendards would have got

through without warning," Lord Hill-Norton, Admiral of the Fleet and former Chief of the Defence Staff, said yesterday.

Thus of the original 15 warships which Mr Nott announced as being part of the task force on April 7, four have been sunk and at least six damaged. Mr Nott announced for the first time yesterday that 10 more warships had now joined the task force which "more than compensated" for the losses suffered.

Other major weaknesses include the inability to pick up aircraft flying in over land — apparently a major reason why Coventry was hit. Many would argue that there are also far too few Harriers or other interceptors attack aircraft to provide adequate cover for the troops.

Given the very sparse information from the Defence Ministry, the tally of sunk and damaged British ships would seem to be: the Type 21 frigates Ardent and Antelope sunk; along with the two Type 42 destroyers Coventry and Sheffield.

These four ships represent just over a quarter of the warships which Mr Nott originally announced had been sent with the Task Force. The Atlantic Conveyor, though carrying vital supplies and possibly reinforcements, was a merchant ship.

There was apparently a Type 22 frigate escorting the Coventry, and other armed escorts with the Atlantic Conveyor. The Type 22 is believed to be damaged, though this is not confirmed officially.

However, one of the two frigates seriously damaged in Friday's air raids is understood to be on its way to and from action. Three more were damaged, but it is not known how seriously. And yesterday, Mr Nott confirmed in the Commons that two Royal Fleet Auxiliary supply vessels had been damaged in Sunday's actions.

Thus of the original 15 warships which Mr Nott announced as being part of the task force on April 7, four have been sunk and at least six damaged. Mr Nott announced for the first time yesterday that 10 more warships had now joined the task force which "more than compensated" for the losses suffered.

Argentina's three efficient air bases present a far more difficult task, especially for Ascension or carrier-based aircraft and Chile, despite the mystery over a Sea King helicopter which landed there last week, is unlikely to provide a nearer base.

British's Task Force must then attempt to retake Port Stanley in the knowledge that it has not yet achieved air superiority. This adds to those problems already long evident: the difficult terrain, the long supply lines of a force 8,000 miles from home, deteriorating weather and a force which

No air superiority as Britain tries to retake Port Stanley

while undoubtedly more professional, is still — even with the 3,000 reinforcements aboard the QE2 — almost certainly outnumbered. Argentine morale in the Stanley garrison may crack soon, as some optimists have suggested. The pessimists may, however, point to the determination to fight back which has been so evident in the behaviour of Argentina's fighter pilots.

Men & Matters

China plates

paid off yesterday when the Speaker suspended Andrew Faulds, the bearded actor MP from Warley, for a bad-tempered protest about the ruling of the chair including a mock-Cromwellian outburst in front of the mace.

Ever since he became Leader of the House seven weeks ago, Biffen has carried a folded piece of paper in his wallet setting out the wording of the suspension or "naming" motion so that he would be ready for the occasion whenever it came.

Consequently he was on his feet in a flash when the Speaker called for the suspension to be moved and there was none of the usual delay while the wording is passed down from the clerks.

Biffen has gained full marks from all sides of the House so far for his handling of it in a particularly difficult period. He has earned such extravagant compliments from Michael Foot and other Labour MPs, it is hard to remember that he used to be regarded, mistakenly, as a Thatcherite ideologue.

Kensington Gore

The Western Saharan crisis split over into Kensington Town Hall when the Organisation of African Unity threw its annual party there the other night.

Moroccan diplomats tried to secure the forcible removal of M Lamine Bahl, the representative of the Polisario Front which is fighting for the independence of the ex-Spanish colony.

As tempers rose to desert heat what is politely described as "an affray" resulted. A number of guests moved out into the street where discussions were less than inhibited, according to my man on the spot.

Polisario became the OAU's first member at a meeting in Addis Ababa in February. That

decision was naturally strongly contested by Morocco and some of her African allies.

Now the strategic question underlying the strong-arm stuff in leafy Kensington this week is whether Colonel Gadaffi who is due to chair the next OAU summit in Tripoli, Libya, in the summer will be able to attract enough participating member states to form a quorum.

He has a difficult task. Since the Addis Ababa decision a number of special OAU committee meetings have been held by groups of countries supporting either Morocco or Algeria walking out.

Last perk

The most macabre of shareholders' perks goes up in smoke from June 20. Dundonian, which began as an operator of crematoria but then spread into tin-mining, financial services and property development, is withdrawing the privilege of cut-rate cremation.

Dundonian's reason is that the last of its cemeteries and crematoria are about to be sold off — in one case to a management buyout. Having disposed of the remains of 20 former shareholders in the past year — "about the average for recent years," said finance director Richard Trew yesterday — the group is casting about for a park which fits better with its current activities.

Suggestions — from those still on the share-register — would be welcomed.

Her pleasure

Inevitable, I suppose, that once you become known as "the most powerful woman in New York" you should be tempted to test your strength in U.S. national politics. And after five years as New York superintendent of banks, Muriel Siebert has re-

signed to run as Republican for the U.S. Senate in the primary elections in September.

Whoever has the temerity to stand against her can expect a tough fight — as the Hongkong and Shanghai Banking Corporation can testify. It was Siebert who stubbornly blocked the Hongkong bank's \$300m takeover of Marine Midland, the 13th largest U.S. bank, for some 18 months until it found a way round her.

Siebert's appointment by a Democratic Governor to head the 55-strong department which regulates New York's banking was open-ended. "I am there at the Governor's pleasure and at mine."

But she stood firm against both local political and federal pressures during the Hongkong controversy and has always been in the thick of the action whether rescuing a savings bank from collapse, changing tax laws or ensuring more mortgages for New Yorkers.

Siebert began her career as a securities analyst but did not take long to make her forceful presence felt in New York. She was the first woman member of the New York Stock Exchange — and made the Greater New York Council of the Boy Scouts of America a "co-ed" institution.

Noted thief

A woman who robbed a store in Canada is in jail pondering that a stitch in time could have saved her six months time.

The Canadian High Commission tells me she entered wearing a mask and carrying a butcher's knife, and forced the cashier to hand over some \$300. But the bag she used to carry the money away had a hole in it. Police followed a trail of bills to her apartment. By the time they arrested her they had recovered more than \$200.

For further information, The Rioja Wine Information Centre, 140 Cromwell Road, London SW7 4HA.

Observer

Wine Men & Matters

Rioja

ECONOMIC VIEWPOINT

Snags of currency intervention

By Samuel Brittan

IT IS easy to agree that there have been wide swings in exchange rates which have probably destabilised the world economy and in any case done little good. Exchange rates can, should and do move both up and down as underlying circumstances change. But it is difficult to see what purpose is served by some of the extreme fluctuations in sterling, the D-mark and the dollar shown in the chart.

Now is it easy to make too much sense of the 40 per cent rise in the trade-weighted yen index in 1977-78, much of which was lost by the end of 1979, only to be regained in 1980 and then partly lost once more?

Such swings cannot be accounted for by international costs or price movements. In some cases real exchange rates, which allow for these factors, actually swung by greater amounts than the nominal rate.

These swings—which, let us face it, were not expected before the event by academic advocates of floating rates—have given ammunition to European central bank and governmental advocates of official intervention in foreign exchange markets. They can be expected to harangue the U.S. on the subject at the Versailles Summit at the end of next week, with the host country taking a polite but firm lead.

There is, however, one fatal gap in the arguments of the interventionists. Looking at the charts in this article, it does not take great sophistication to spot the swings around the basic trend. But it is a far cry from this piece of hindsight to saying that central bankers would have had the knowledge at the time to diagnose the temporary deviations when they occurred. Without such knowledge they could as easily accentuate as smooth out fluctuations.

There is a very elegant theory of how exchange rates can on certain assumptions "overshoot" or "undershoot" their equilibrium values. But there is no reliable method of diagnosing when such overshooting has occurred or how large it is. The central bankers' argument is just one case of the fallacy of supposing that the mere demonstration of a lapse in the market mechanism

PROFITS AND LOSSES FROM INTERVENTION

Country	Period beginning	Period ending	Profit or loss (\$ millions)
Canada	June 1970	Dec. 1979	-82
France*	April 1973	Dec. 1979	1,025
Germany	April 1973	Dec. 1979	-3,423
Italy	March 1973	Dec. 1979	-3,724
Japan	March 1973	Dec. 1979	-331
Spain	Feb. 1974	Dec. 1979	-1,367
Switzerland	Feb. 1973	Dec. 1979	-1,209
U.S.	July 1972	Dec. 1979	-2,147
	April 1973	Jan. 1980	-2,351

* For France, the profit or loss is calculated assuming intervention is done in Dollars and in Deutsche Marks. The profit is shown for the Dollar figure and a Dollar equivalent loss is shown in parentheses for the Deutsche Mark figure.

Source: *Journal of Political Economy*, April 1982

is a sufficient argument for government intervention, without giving convincing reasons why the latter should lead to any improvement.

For instance the fall in the dollar against the D-mark from DM 1 in 1968 to DM 2.5 in 1973 has proved permanent and not been reversed by subsequent fluctuations. But while it was occurring—irregularly at varying speeds—it often looked as if it was overdone; and the Bundesbank lost a lot of money and ran into trouble in its domestic monetary policy in several unsuccessful attempts to halt the rise of the D-Mark.

Today it may seem obvious that the dollar is too high, and that the 25 per cent rise in its trade weighted average in the last year and a half has made U.S. products internationally uncompetitive. But who is to say whether the balance is to be restored by a fall in the dollar or by a continued decline in U.S. inflation rates, combined with a resurgence of inflation on the part of European countries or by still other forces?

Fortunately it is not necessary to rely entirely on the crystal ball when we can look at the record. For central banks have frequently intervened in foreign exchange markets in the last decade of "dirty floating." If they have been successful in buying currencies when these have been temporarily depressed and selling them when they have been temporarily high they will at one and the same time have made a profit for themselves and reduced disturbing fluctuations.

Mr Dean Taylor, of the State

University of New York has made a pioneering attempt to trace central bank intervention, not only the obvious parts shown in official reserve movements, but other intervention too.

His results are reported in the April 1982 issue of the *Journal of Political Economy* (University of Chicago Press) and are summarised in the adjoining table. The losses shown are hardly an advertisement for the superior foresight of the "authorities" over the private market.

The figures exclude valuation changes in the foreign exchange assets initially held by the central banks and include only transactions gains and losses. The two very different figures for France arise from uncertainty about whether the intervention was carried out in dollars—in which case it would have been profitable—or in D-Marks—in which case it would have made a loss.

If interest rates differentials on different currency assets are taken into account, total losses are reduced somewhat from the total shown in the table, but still amount to no less than \$12bn.

Profit and loss calculations are affected by the accounting periods chosen. For instance, German intervention from April 1973 to the end of 1975 is estimated to have shown a profit of \$0.5bn; this had become a loss by 1977.

By taking a sufficiently long period, from the beginning of floating in the early 1970s to the end of 1978, Mr Taylor has managed to eliminate such timing variations. It is possible to strike a relatively clean

balance by the end of the period. For by then most countries had bought and sold roughly equal amounts of foreign exchange so that their net losses and profits were not affected by the subsequent rise of the dollar.

The main exception was West Germany, which had accumulated \$15.5bn in reserves by the end of 1979 on which there was an unrealised loss of \$1.5bn. To transform the loss into a profit the dollar would have needed to rise above DM 2.09 which it, of course, duly did.

The other exception, which works the other way round, was France. The authorities of that country sold dollars over the period, and the effect of the subsequent rise in the dollar was to transform the profit shown in the table into a loss.

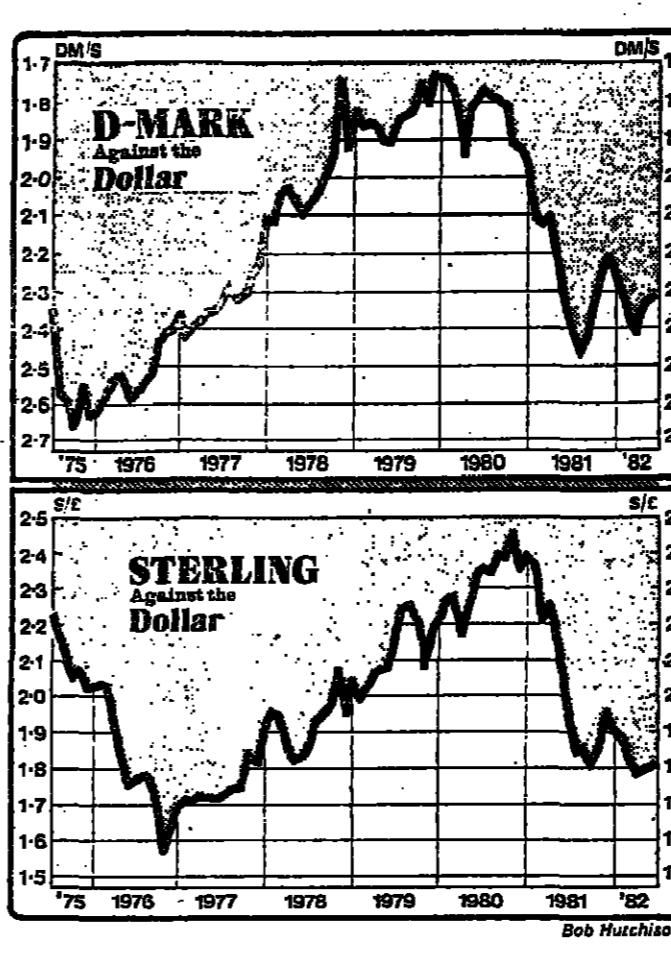
The U.S. Council of Economic Advisers has made one further calculation of the effects of U.S. official intervention, from November 1978 when the decision was made to intervene in a big way and "Carter bonds" were issued until March 1981 when the new Administration called a halt. During this period the U.S. gained \$11.9bn of foreign currency which subsequently dropped against the dollar, resulting in a book-keeping loss of nearly \$0.7bn by the end of October 1981.

If other governments and central banks want either to challenge Mr Taylor's private enterprise calculations or to report better results than the U.S. Administration's, they should co-operate in the empirical study of the results of intervention, suggested by American officials.

The main evidence so far in favour of intervention has come from a Simon and Coates study by Gavyn Davies, which shows that both average changes in the parities of the currencies of the European Monetary System and deviations from these averages in the three years to the EMS's existence have been about half of what they were in the preceding six years.

On the other hand, there has been an increase in volatility against non-EMS currencies and it is thus far from clear how much extra overall stability each member country has enjoyed.

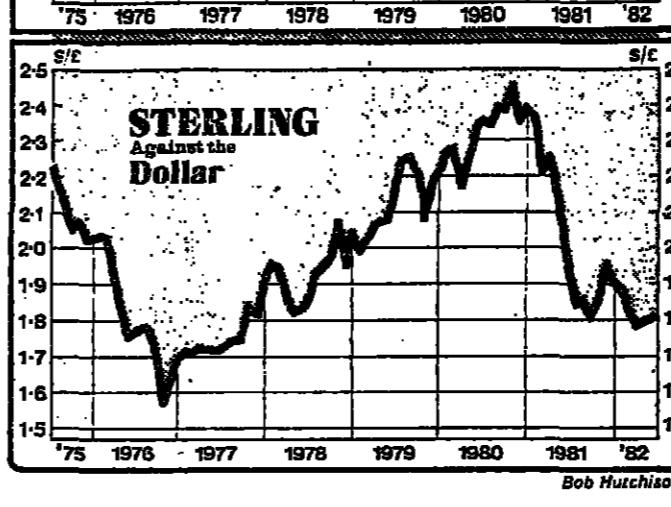
A more basic question, however, is whether it is appropriate to measure success in terms of minimising exchange



DM's

D-MARK
Against the
Dollar

75 1976 1977 1978 1979 1980 1981 '82



£/\$

STERLING
Against the
Dollar

75 1976 1977 1978 1979 1980 1981 '82

Lombard

Free lunches in Threadneedle St

By Anthony Harris

THE CITY has for many months regarded monetarism as dead for all practical purposes; and now it is thought that another of the doctrines of Milton Friedman is being disproved in London.

Friedman proclaims that there is no such thing as a free lunch. Really? Not according to those reputedly helping themselves to nice nourishing funds at the lunch counter in Threadneedle Street, otherwise known as the Bank of England Discount Office.

"Nourishing" by the way, is the Bank's own word, used by Peter Cooke, the banking supervisor, in commanding bank lending; the funds are used to finance what he calls "good nourishing loans."

Brooding

This assertion needs a bit of explaining, which is done in the latest circular from Mr Gordon Pepper of Greenwells, back in his best *Sherlock Holmes* form.

He has been doing a good deal of brooding recently about what must be happening as a result of the Bank of England's aggressive buying of commercial bills (current holdings about \$6bn). It has proved to be what Holmes called a three-pipe problem, but a persuasive answer has emerged.

Greatly simplified, it goes like this: for a decade now, the Bank of England has struggled to control the money supply without driving up interest rates, or cutting off the supply of credit to private borrowers.

No one, of course, knows the "equilibrium" exchange rate, but a study of intervention profits and losses would provide a better clue than simple measures of exchange rate movement and fluctuations over a relatively short and untypical period.

Let us suppose however—

with a generosity which deserves a free lunch in Basle—that a study of the profitability of intervention came to similar conclusions as Mr Davies. It would demonstrate mainly the amazing good luck of the EMS in starting off at a time when the highest inflation rates of the normally weaker currencies were offset by a fundamental change affecting a currency's long run or equilibrium value, central bank intervention may reduce statistical variation but actually be disruptive. For it will maintain a currency at a false valuation and send out misleading signals to exporters and importers of both goods and Capitalists as they stand at the beginning has now disappeared. The limited EMS experience does not compare with six or seven years experience for the overall exchange rates of a much wider group.

The conclusion is not that intervention is good or bad; but that governments or central banks which believe in it should demonstrate the case by providing clear-cut information on the profitability of their operations and not by political pressure, which proves nothing except the leverage of one government over another.

Prof. Ronald McKinnon of Stanford University will continue the discussion on these issues in this column next week.

Plausible

The other half of the story is a little more speculative, but just as plausible. Banks can't issue commercial bills; but their customers can. A bank or a money broker could bid for deposits from such customers at a rate which would show another guaranteed return, and then make a further turn itself—lending, say, in the mortgage market. And there is a kind of Murphy's law in the City which says that if anything profitable can happen, it will happen—to the tune of £bn or more, according to Pepper.

Anyone for the smoked salmon?

Letters to the Editor

Pharmaceuticals: a possible saving of £80m?

From the National Industrial Officer, General and Municipal Workers' Union

Sir—British pharmaceutical industry manufacturers are opposing proposals that general practitioners prescribe generic drugs rather than brand names for patients. It has been estimated that if doctors prescribed generic drugs where they are the same as brand names this will result in a saving of some £80m to the national health service. Drug companies also seek to extend the patent on drugs, thus providing (for them) additional years of high profits.

The Association of the British Pharmaceutical Industry alleges

that generic drugs were substituted for the higher priced brand names the NHS would only save £24m. This argument is not based on any analysis of fact. In the USA prescription of generic drugs has slashed medical bills. For example in 1978 Illinois promoted the prescribing of generic drugs and drug bills have dropped by over 20 per cent.

Manufacturers claim that profits would reduce if less expensive generic drugs were put on prescription rather than brand name drugs and this would affect research initiative. Again this is not borne out by reality. In fact the bulk of so-called research goes on tinkering with existing drugs; basic

Joint sovereignty for the Falklands

From Mr H. Shifner.

Sir—Earlier letters of mine unpublished have been deeply critical of the Falkland war. I should now like to make a constructive suggestion.

Why not joint sovereignty over the islands, something like that enjoyed by the French and Dutch in the Caribbean island of St Martin, where not even an official frontier is necessary? Or a four-power regime like that which brought much prosperity to Tangier, before it was handed over to Morocco? For sure Argentina could hardly object to Las Malvinas having the same free port status as Tierra del Fuego and one could take it a stage further and convert the territory into a fully-fledged tax haven.

Using some sensible financial incentives of this nature, rather than destructive and belligerent intransigence, a prosperous future could be built up for the inhabitants of the islands which would prove infinitely more beneficial to all concerned than the existing monopoly. And it would be an ideal way to attract the finance necessary for developing not only the offshore oil reserves, but also eventual exploitation of the suspected riches of the Antarctic Continent.

As from 1st June

Other Airlines Fly you to New York. Only Pan Am Flies you to Manhattan.

Pan Am First Class and Clipper® Class passengers can fly all the way to Manhattan and back.

Via a new free helicopter service between the Pan Am Worldport® at J.F.K. International Airport and the East 60th Street Heliport in Manhattan.

Only Pan Am First Class and Clipper Class passengers are offered this exclusive service.

Simply make your helicopter reservation when booking your Pan Am transatlantic flight, and Manhattan is just 8 minutes away, instead of an hour, from the airport.

Flights leave every 30 minutes throughout the day both to J.F.K. and to the East 60th St. Heliport.



So if you're headed

for Manhattan go all the way with Pan Am. We'll make your trip a much better experience.

For further information about this service ask your travel agent for details or phone your Pan Am office.



the private patient, as laid down in various Acts.

Mr Sawyer's letter—apart from his basic error, in ascribing to us the role of prime mover—gives a much more constructive and credible analysis of why those purchasers of BUPA insurance who decided to embark upon a limited measure of cost containment, acted as they did. Surely, such prudence in the face of economic circumstances, and escalating costs is to be commended?

Derek V. Damerell, Provident House, Essex Street, WC3.

Cheque clearing costs

From Mr A. Whalley.

Sir—In your report (May 19) on the Co-op Bank link with the Abbey National you state that it costs 40p to 50p for the major clearing banks to clear a cheque but that the Co-op Bank is able to clear cheques at a substantially lower cost because of its "modern clearing facilities".

Are you seriously suggesting that the clearing banks are chucking away hundreds of millions of pounds a year simply because their clearing facilities are not as modern as those of the Co-op Bank? I cannot believe this is true.

Those of your readers who understand the impact of volumes on unit costs may suspect an alternative explanation for variations between cheque handling costs in these banks.

The major clearing banks have been around a long time and their cheque clearing facilities were set up to handle a certain volume of transactions. If the rest of the industry has the

same number of cheques as the

Co-op Bank, then the cost per cheque will be lower. The MUA considers that those who have paid some £3.2m in postage do not.

M. E. Corby, Hazel Road, Woolston, Southampton, Hants.

Financial Times Thursday May 27 1982

Phone Pan Am.

London 01-409 0588
Birmingham 021-236 9561
Manchester 061-832 7626
Glasgow 041-248 5744
Preston 215747



Hill Samuel International Currency Fund Limited

(An open-ended investment company registered with limited liability in Jersey on 17th May, 1982 under the provisions of the Companies (Jersey) Laws 1961 to 1968 and having an authorized share capital of US \$200,000)

Initial Offer for Subscription of up to 20,000,000 Participating Redeemable Preference Shares of US 1 cent each ('Shares') of the following classes and at the following prices payable in full on application.

The minimum investment per class of Shares is £1,000 or the equivalent in another currency.

MANAGEMENT AND ADMINISTRATION

Directors
 Leonard James Banks, Chairman
 La Corniche, Rue Des Matieres, Grouville, Jersey, Channel Islands.
 Aged 58, Managing Director of both Hill Samuel & Co. (Jersey) Limited and Hill Samuel (Channel Islands) Trust Company Limited.
 Trevor Peter Butkin
 Aged 34, Managing Director of Asian Pacific Secretaries Limited, Hong Kong.
 Ulrich Hirt (Swiss)
 Forrentrasse 22, 3006 Bern, Switzerland
 Aged 38, Lawyer.
 David Henry Humphrey,
 Les Bourdes, Rue De Jardun, St. Clement, Jersey, Channel Islands.
 Aged 56, Director and General Manager of Hill Samuel (Channel Islands) Trust Company Limited.
 Fritz Hirt (Swiss)
 Kraeguengweg 56, 3074 Mur B, Berne, Switzerland.
 Aged 45, Chief Executive of Bank von Erast & Cie AG, Berne, and a Director of Hill Samuel & Co. (Jersey) Limited.
 Harvey Richard Stacey,
 Berglikerstrasse 3112 Altdorf, Switzerland.
 Aged 46, Senior Director of Bank von Erast & Cie AG, Berne, Manager, Secretary and Registrar.
 Hill Samuel Fund Managers (Jersey) Limited, 7 Bond Street, St. Helier, Jersey, Channel Islands.
 Registered Office
 7 Bond Street, St. Helier, Jersey, Channel Islands.
 Investment Advisers
 Hill Samuel (Channel Islands) Management Limited, 7 Bond Street, St. Helier, Jersey, Channel Islands.
 Hill Samuel (Channel Islands) Trust Company Limited, 7 Bond Street, St. Helier, Jersey, Channel Islands.
 Bankers
 Hill Samuel & Co. (Jersey) Limited, 7 Bond Street, St. Helier, Jersey, Channel Islands.
 Ernst & Whitney, Chartered Accountants, Le Gallais Chambers, Bath Street, St. Helier, Jersey, Channel Islands.
 Stockbrokers
 Grieswold, Grant and Co., 59 Graham Street, London, EC2P 2DS, England.
 Legal Advisers to the Company
 Jersey Mourant on Deau & Jones, 16 Hill Street, St. Helier, Jersey, Channel Islands.
 In England: Linklaters & Paines, Barrington House, 59-67 Graham Street, London, EC2V 7JA, England.

Copies of the Prospectus, subsequent Prospectuses and Applications for Investment obtained from the Company, c/o Hill Samuel Fund Managers (Jersey) Limited, 7 Bond Street, St. Helier, Jersey, Channel Islands; Telephone, Jersey (0534) 762299 Telex 4192269; and from the Company's Stockholders, Grieswold, Grant and Co., 59 Graham Street, London, EC2P 2DS; Telephone: 01-606 4433; Telex 897336.

SALIENT FEATURES

Investors may subscribe for Shares designated in the following currencies:

Deutschmarks; Sterling; Swiss Francs; US Dollars.
 Shares in the Currency Funds are designed for investors who wish to keep their cash reserves matched in a particular currency. They may be converted from one Fund to another on any Dealing Day without the Company making any charge.

The investments for each Currency Fund will therefore at all times be matched in the relevant currency and held mainly in the form of bank deposits.

MANAGED FUND

Managed Fund Shares will enable investors to achieve high returns through an investment in major currencies under professional management.

Managed Fund Shares are paid up in Sterling but will be invested in a selection of major currencies. The Managers will aim to maximize growth by selecting those currencies which will provide the highest return, taking into account both exchange and interest rates. Although the Managers will diversify their holdings to minimize the risk of adverse movements in exchange rates, it must be recognized that the price of Shares may go down as well as up.

OBJECTIVES

Each class of Shares is designed to provide investors with:

- The advantages of dealing in large amounts — Large investors like the Company can earn rates of interest significantly above those available on small bank deposits; the highest rates are generally payable on amounts exceeding £500,000 or its equivalent in other currencies;
- Security of Capital — The assets of the various Funds will normally be invested in bank deposits and other short term money market instruments with maturity not exceeding 3 months, thereby minimizing the risk of capital loss from changes in interest rates;
- Ready availability of funds — Dealings will take place every business day in Jersey; a minimum of 20 per cent of the value of the assets in each Fund will normally be available at seven days notice or less, to permit redemptions and conversions on the same day;
- Professional management — The Managers have full access to the resources and international banking and investment skills within the Hill Samuel Group;

DISTRIBUTIONS

All interest will be accumulated and re-invested; no dividends will therefore be paid.

INVESTMENT POLICY

The assets of the Currency Funds and the Managed Fund will normally consist of Eurocurrency bank deposits; however, investments may also be made in short term money market instruments such as certificates of deposit, bank acceptances and treasury bills.

Within each Currency Fund investments will generally be diversified in the currency of that Fund. Investments may however from time to time be made in other currencies that event, the resultant currency risk will be eliminated by an appropriate forward transaction, thus enabling the Fund to improve returns and avoid exchange risks.

Within the Managed Fund the distribution of assets will be changed in accordance with the Managers' view of the relative prospects of currencies. The Fund may also hold options and financial futures and enter into forward currency transactions but the net value of such contracts shall not exceed 10 per cent of the gross value of the assets comprised in the Fund.

Specific limits for each bank and institution in which the Company invests will ensure a prudent spread of risk within each Fund.

THE MANAGERS AND INVESTMENT ADVISERS

The Managers and Investment Advisers are part of Hill Samuel Investment Management International, a member of the Hill Samuel Group, an international financial group with assets under advice and management of over £1,000 million.

The Group provides a complete range of investment banking services including currency management and advice and dealing in foreign currencies. These services will be available to the Investment Advisers in the selection of investments and currencies to gain maximum advantage from changes in interest and exchange rates.

THE CUSTODIAN

The Custodian, Hill Samuel (Channel Islands) Trust Company Limited, a member of the Hill Samuel Group, is responsible for the custody of the assets of the Company.

ALLOTMENT OF SHARES

The initial subscription lists will open at 9:00 am on 11th June, 1982 and will close on the same day when allotments will be made against closed lists.

After the initial offer, dealing for Shares may be made on any business day in Jersey (a Dealing Day) and shares will be allotted on that day, normally against cleared funds.

Application may be made either by telex or on the Application Form. Shares will be issued in registered form in the name of the investor. A nominee service will be available if required. Full details of the application and payment procedure are set out below.

REDEMPTION OF SHARES

Shares may be redeemed on any Dealing Day by giving notice by telex or in writing specifying the number and class of Shares to be redeemed, and giving instructions for the payment of redemption money. For this purpose, notice of redemption on any Dealing Day will be deemed to have been given on the next Dealing Day.

Settlement of the proceeds of redemption of Shares in the Currency Funds will normally be made 2 days after the relevant Dealing Day, in accordance with general Euro-market practice; settlement of redemption proceeds of Shares in the Managed Fund will normally be made within 7 days of the relevant Dealing Day; for all redemptions the Share Certificate concerned (with the redemption request on the reverse completed) must be in the hands of the Company in Jersey not later than 10:00 am on the relevant Settlement Day.

Payment of the redemption proceeds will normally be made in the currency of the Shares concerned either by transfer to the shareholder's bank account or by cheque posted to the shareholder at his registered address.

PRICES AND VALUATION

After the initial offer, the price of Shares of each class will be affected (the 'Subscription Price') and estimated (the 'Redemption Price') will be quoted on each Dealing Day by reference to the value of the net assets of the particular Fund on that day.

There will be a single charge in respect of the Currency Funds and there will normally be a single charge in respect of the Managed Fund.

Further information on pricing is contained in Sections 1 and 2 of General Information.

CURRENCY FUNDS

A separate Fund denominated in the appropriate currency will be maintained in respect of each class of Shares. Subscription and redemption money for such Shares will be payable in the currency concerned and the distribution of assets within each Currency Fund will eliminate currency risk within that Fund.

CLASS OF SHARES

CLASS OF SHARES	PRICE PER SHARE
Currency Funds	
Deutschmarks Shares	DM 40
Sterling Shares	£10
Swiss Franc Shares	Sw. Fr. 35
US Dollar Shares	US\$20
Managed Fund	£10

MANAGED FUND

Subscription and redemption money in respect of Shares in the Managed Fund will be payable in Sterling; the assets of the Fund will be invested in major currencies selected by the Managers.

PUBLICATION OF PRICES

Daily prices of Shares of each class will be published in the Financial Times and will be available from the Managers. The prices published will be those applicable to payment in the currency in which the Shares are denoted and in the case of Shares in the Managed Fund will show the Managers' Bid and Offer Price.

CONVERSION OF SHARES

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

Conversion may take effect on the Dealing Day as the relevant Redemption and Settlement Day for the Conversion of Shares concerned on that Dealing Day (unless otherwise agreed) after allowing for the costs of currency transfer between the appropriate Currency Funds.

The new Share Certificate will be posted to the shareholder until the old Share Certificate, with the conversion request completed, has been received by the Company, but the conversion will not be delayed as a result.

The right to convert is subject to the provisions on the temporary suspension of dealings mentioned in Section 4 of General Information. It is also dependent on the Company having sufficient available share capital to implement the conversion. The Managers will try to ensure that this is so.

Conversion cannot be arranged between holdings of Shares in the Currency Funds and Shares in the Managed Fund, unless the Managers accept instructions to redeem any class of Share represented in the Currency Funds and to invest the proceeds in Shares of the Managed Fund, or vice versa. The attention of shareholders is drawn to the initial charge on Shares in the Managed Fund.

FOREIGN EXCHANGE TRANSACTIONS

Subscription and redemption money in respect of Shares will be payable in the currency in which the Shares are designated. Where investments with the proceeds of subscription in respect of Shares in the Managed Fund are made in another currency, the Managers will make arrangements to convert the proceeds of subscription into the relevant currency.

The Managers will try to ensure that the conversion of the proceeds of subscription into the relevant currency will be effected as soon as practicable.

4. **Temporary Suspension of Dealings**

The Managers may suspend the determination on any Dealing Day of the value of the net assets within any Currency or Managed Fund on a particular Dealing Day, if it is not practicable to determine the Net Asset Value of Shares of that class on that Dealing Day.

5. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

6. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

7. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

8. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

9. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

10. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

11. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

12. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

13. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

14. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

15. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

16. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

17. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

18. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

19. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

20. **Conversion of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

21. **Redemption of Shares**

The Managers will have the right to convert, in part or in full, of their Holdings of any one class of Shares reported in the Currency Funds into Shares of another such class (or class) by giving notice in writing or telex of their requirements followed by despatch to the holder of the old Share Certificate with the conversion request completed.

CLASS OF SHARES

CLASS OF SHARES	PRICE PER SHARE

<tbl_r cells="2" ix

MINING NEWS

Western Mining raises A\$68m

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Western Mining the nickel operations are concerned.

In the first half of the current year to end-June earnings dwindled to A\$6.51m. From A\$33.61m in the same period of the previous financial year.

Furthermore, there was a tax credit of A\$1.1m in the latest figure whereas the profit a year previously was struck after a tax deduction of A\$1.5m.

Western Mining said at the time of the half year results that profitability was expected to remain at a low level for the rest of the financial year. But it managed to stay in the dividend list with a reduced payment of 14 cents. A total of 14 cents was paid for the year to last June.

Clutha coal closures to go ahead in NSW

TALKS in Canberra yesterday failed to avert the closure of two of Clutha Developments coal mines in New South Wales, with the loss of 216 jobs.

On a CCA basis, a profit after tax of £10,000 (£219,000 loss) was recorded.

Copydex jumps to £169,000

TRADING SURPLUS at Copydex jumped from £15,000 to £169,000 at the end of 1981.

Sales advanced from £8.04m to £8.29m.

After six months, this maker of adhesives, do-it-yourself products and floor covering accessories recorded a pre-tax profit of £126,000.

A final dividend of 1.2p net per 10p share makes a total of 24p of those now in issue for 1980, when the interim was omitted.

Tax took £23,000, against a credit of £77,000. An extraordinary credit of £4,000 compares with a £19,000 debit.

The directors say sales are so far running 10 per cent ahead by value of sales in the corresponding period of 1981. Competition and pressure on margins remain severe over much of the product range and, although the company has increased its market share, this is not yet reflected in the rate of profit.

In current trading conditions, it would be difficult to forecast results for 1982, they say. Better products and service and a challenging approach to the market have yielded a further increase in sales volume, and this emphasis will continue, as will the company's efforts to cut costs in all areas.

On a CCA basis, a profit after tax of £10,000 (£219,000 loss) was recorded.

NCI profit up to £2.29m

Profit before tax and interest at NCI (UK) rose to £2.29m in 1981, on turnover of £74.57m.

The directors say trading in the current year is encouraging, especially against the general level of trading in the construction industry.

Profits at Bismarck Concrete returned to former levels as the company benefited from new structure and products. Dowsett Engineering Construction, Structure and Beyer Peacock International all improved profitability.

Banister Walton and Newlay Concretes had a difficult year

Factors cited by the company for the closures include the downturn in world coal demand, industrial disputes, delays in coal shipments, higher costs and increased state royalties.

Japanese customers are thought to have switched orders for over 700,000 tonnes of coal to more reliable suppliers in North America.

Gulf shutting a zinc mine

by 2,000 short tons per week, to 12,000 tons, a spokesman said. The Jefferson City mine, which began operation in 1956, recently has produced 3,500 tons of crude zinc ore weekly, he said.

Gulf and Western attributed the move to the depressed state of the zinc industry and high operating costs at the mine.

The group will partially offset its production loss at the mine by increasing output at its nearby Beaver Creek property.

S. AFRICAN GOLD OUTPUT RISES

Gold production in South Africa rose in the month of April to 1,783,514 ounces, compared with the March total of 1,723,537 ounces. The latest figure is also higher than the 1,755,683 ounces produced in April last year.

The cumulative total for the first four months of 1982 at 6,874,314 ounces is still lagging behind the 6,888,735 ounces produced in the same period.

Sunbeam Wolsey Limited

1981 Results

The 54th Ordinary General Meeting of the Company was held in Cork on Wednesday 26th May 1982. The following are extracts from the Statement by the Chairman, Mr. J. A. O'Connell:

The profit before taxation at £267,130 shows a distinct improvement over that of 1980 at £325,959 but is far short of that recorded in the more normal trading atmosphere of 1979 at £1,482,522.

The board feels that shareholders should benefit from these improved results and is recommending the payment of a final dividend of 3p per share against 2p last year.

The Group's trading activities remained deeply affected by the world-wide recession but strenuous marketing boosted our turnover from £22.0 million to £24.1 million. Tighter margins on profits brought on by competition and consumer resistance, together with increased costs of production, offset the gains made on sales.

The companies engaged in the manufacture of textile yarns fared badly, due to over-capacity in the woollen and worsted spinning, but companies engaged in the manufacture of finished products enjoyed improved results due to better margins and productivity.

Industrial Yarns, adversely affected by a prolonged strike in 1980, made a welcome return to profits but Kerry Fashions sustained significant losses on its Italian business. Richard Ingham, our knitting wool company, continued to make a substantial contribution to our profits.

The healthy state of our balance sheet has been maintained by constant attention to cash flow and our bank balances and cash are a source of strength and satisfaction to us.

Trading figures for the first few months of the current year are in line with those recorded in 1981 and serve to show our continuing trading problems. Our future growth, even our survival, does not lie entirely in our own hands. The policies pursued by Government in controlling state spending will be all important to the future well-being of our State, our people and this Group.

Year ended 31 December 1981 1980

Turnover 24,133,000 22,013,000

Profit before taxation* 676,130 325,959

Taxation (Charge)/Credit (65,106) 71,970

Profit after taxation 611,024 397,929

Dividend per ordinary share 3.00p 2.00p

Earnings per ordinary share* 6.4p 4.0p

*Figures include Employment Maintenance subsidy.

Copies of the full Report and Accounts are available from

The Secretary, Sunbeam Wolsey Limited, Millfield, Cork.

EUROPEAN OPTIONS EXCHANGE

Series	Vol.	Aug. Last	Nov. Last	Feb. Last	Stock
GOLD C	3225	10	28.50	—	—
GOLD C	3250	102	18	23	29
GOLD C	3275	65	18	25	16
GOLD C	3400	1	4	20	11
GOLD P	3425	31	2.80	—	—
GOLD P	3450	26	5.50	—	—
GOLD P	3475	20	15	21	15.50
GOLD P	3500	1	25.50	8	—
121 NL 81 87.01					—
C	F.10.10	2	6.6	10	4.50
C	F.112.50	1	1.80	25	2.80
C	F.117.50	—	—	200	0.60
P	F.112.50	10	1.80	—	—
101 NL 82 86.95					—
P	F.102.50	300	1.80	—	—
111 NL 82 88.92					—
C	F.102.50	—	—	1	3.40
C	F.105.	—	—	—	F.104.40
P	F.107.50	—	—	100	0.80
P	F.100	—	—	—	—
10 NL 82 86.88					—
C	F.102.50	—	—	125	0.60
P	F.102.50	—	—	25	4.20
July					—
Oct.					—
Jan.					—
AKZO C	F.25	—	3	2.80	—
AKZO C	F.27.50	55	0.70	25	3.20
AKZO P	F.27.50	45	0.40	20	0.80
AKZO P	F.30	45	0.20	17	2.40
AMRO P	F.30	—	—	—	—
HOOG C	F.10	105	1.20	50	1
HOOG P	F.15	55	1.40	50	0.90
IBM C	F.10	50	3.70	—	—
KLM C	F.100	110	4.50	50	7.40
KLM C	F.110	124	2	70	4.80
KLM C	F.120	78	0.80	11	2.40
KLM P	F.90	27	1.90	47	3.50
KLM P	F.100	152	6.20	45	7.80
KLM P	F.110	152	12.50	15	7.80
NEGI C	F.140	17	0.60	—	—
NEGI C	F.140	17	1.50	—	—
NEGI P	F.110	10	1.50	15	2.10
NEGI P	F.120	55	14.80	22	14.50
NATN C	F.115	10	1.60	—	—
NATN P	F.115	100	2	—	—
PHIL C	F.25	—	75	1.10	154
PHIL C	F.27.50	—	50	0.50A	28
PHIL C	F.25	—	11	1.60	—
PHIL P	F.25	—	10	3.60	—
RD C	F.80	45	11.50	294	5.50
RD C	F.100	40	0.80	20	1
RD P	F.80	50	2.50	10	4
RD P	F.100	50	2.50	—	—
UHIL C	F.140	50	8	—	—
UHIL C	F.140	145	5	—	—
UHIL C	F.140	145	3	—	—
UHIL P	F.140	45	5.50	22	2.80
UHIL P	F.140	45	5.50	—	—
Aug.					—
Nov.					—
Feb.					—
1981-82 TOTAL VOLUME IN CONTRACTS: 4405					—
A=Asked B=Bid C=Call P=Put					—

Capital & Counties moves ahead—£21m surplus

AN INCREASE from £6.93m to £7.56m in pre-tax revenue is reported by Capital and Counties, the property, development and housebuilding group, for the year ended March 25 1982.

The dividend is raised from 3.4p to 3.8p net per 25p share, with a final of 2.6p (2.4p). An independent professional valuation of the group's investment portfolio has thrown up a surplus of £21.1m, an increase of 15 per cent — which has been reflected in the capital profit.

Total group operating income for the year was up from £9.86m to £12.07m. This reflected property investment income up from £7.18m to £7.78m and property trading income ahead from £1.34m to £3.31m. Income from housebuilding showed a decline from £1.32m to £759,000. Administration expenses are up from £1.74m to £1.94m and interest was heavier at £2.74m (£1.26m).

A final dividend of 3p net per share lifts the total to 3.75p on effective increase of 34 per cent. Earnings per 20p share were given as 13.18p (8.8p adjusted) basic and 11.02p (7.89p adjusted) diluted.

Tax took £398,000 (£194,000) and shareholders £129,000 (£67,000).

The directors say the financial services division significantly increased its contribution. The fund management, insurance and pensions services had a good year. The Channel Islands finance company did well despite unfavourable economic conditions.

The funeral interests made a profit, but most have now been sold, and the rest are under negotiation. Under the circumstances

Revenue earnings per share are stated at 8.4p (8.0p). Net assets per share stood at 208p (178p).

The capital profit, before tax, after transfers of past unrealised surpluses and deficiencies realised during the year, was — realised £5m (£569,000) and unrealised £22.86m (£18.08m). Taxation amounts to £8.78m (£18.78m). A final dividend of 2.6p net per share is stated at 25.82p (24.32p).

Capital and Counties' decision, in the wake of the traumas of the mid-70s, to lay greater stress on trading activities, seems to be paying off. Profits from property trading grew by almost 150 per cent, and doubled its share of total profits. The residential side was the main

driving force behind the improvement, though the relative "lumpiness" of this business makes forecasting hazardous.

Housebuilding profits were unsatisfactory, but a change in management style, with drastic cutting of capital employed should lead to a pick up in margins. Currently only about 2 per cent increase in the value of the portfolio is by no means unsatisfactory and the share price discount to assets of 42.3 per cent is high for the sector, and would be higher still, but for a 2.5m provision against a possible tax dispute

Commission ruling soon on British Sugar plea

BY RAY MAUGHAN

THE European Commission is expected to make an interim judgment within the next week or so to decide the competition issues raised by British Sugar Corporation in March under Article 86 of the Treaty of Rome. British Sugar made representations to the Commission in an attempt to block what the beet producer otherwise sees as the prospect of an almost inevitable fresh bid from S. and W. Berisford, the commodity trader.

British Sugar called for the judgment two months ago when, citing Article 86, it attempted to show that the 40 per cent stake held by the major commodity group in the producer of an

acknowledged 52 per cent of sugar consumption in its domestic market led to an abuse of dominance within EEC markets.

Berisford is widely expected to renew its £300m campaign to acquire British Sugar and is free to do so from the beginning of July. While Commission officials were unwilling yesterday to predict the outcome of the interim judgment, any ruling in favour of British Sugar would prevent Berisford from taking further action until formal hearings involving each party can be heard before the EEC Competition Directorate.

If Berisford failed to comply with such a decision, it is under-

stood that it could be liable to a fine of up to 10 per cent of its turnover. A ruling against British Sugar, on the other hand, would give Berisford a free hand to pursue its target within the bounds of the City Code.

Berisford has made it clear that it had consulted the relevant officials in the EEC before its initial approach and, although it was then presenting no more than a hypothetical proposition, it was given the impression that there would be no objection from the Commission. The 40.5 per cent stake in British Sugar bought last year by Rankin Howies McLoughlin would, if sold to Berisford, give the commodity dealer majority control.

93.5% accept S. Pearson offer

S. PEARSON & SON said yesterday that it had received acceptances, totalling 14.1m shares, to its offers from shareholders of Pearson Longman, the publishing group whose interests include the Financial Times.

Last month, S. Pearson, whose activities range from banking to industrial and leisure interests, made an offer worth £52m for the publicly-held minority interest of 36.4 per cent in the group's separately quoted subsidiary, Pearson Longman.

The 14.1m shares received by

S. Pearson represent 83.5 per cent of the equity for which the offers were made, and 34.1 per cent of the existing issued ordinary share capital. Acceptances have been received from 72.4 per cent of the holders of the shares.

S. Pearson owned 28.2m ordinary shares in Pearson Longman—63.6 per cent—prior to the offer period and has not (otherwise than pursuant to the offers) acquired or agreed to acquire any shares in Pearson Longman during such period.

The separate cash offer made

for all or any of the S. Pearson

shares to which accepting ordinary shareholders of Pearson Longman may become entitled was accepted in respect of 3.27m S. Pearson ordinary shares. This offer has now closed.

The offers for the ordinary shares of Pearson Longman have been declared unconditional as to acceptances and remain open until further notice.

Certain conditions of the offers remain to be satisfied, and a further announcement will be made after the extraordinary general meetings of S. Pearson and Pearson Longman convened for tomorrow.

Lonrho talks with OFT continue

LONRHO SAID yesterday that its discussions with the Office of Fair Trading about the Monopolies and Mergers Commissions objections to Lonrho taking over House of Fraser were continuing.

Lonrho is seeking to meet the objections of the Monopolies Commission which ruled last year that a takeover of House of

Fraser by Lonrho would be against the public interest.

The board of House of Fraser, which includes two Lonrho representatives, met yesterday to consider the annual report and accounts which are due to be published later this week.

Last week Lonrho, which holds

29.99 per cent of Fraser's shares,

made moves to place six own resolutions on the House of Fraser agenda for the annual general meeting which may lead to another proxy battle for shareholders' votes. It would be the third proxy battle in two years that Lonrho had fought to gain more influence over House of Fraser's affairs.

THE SAVOY

Mr H. Morton Neal, a director of The Savoy Hotel group, has bought 5,324 of the low voting "A" shares in the group.

The Savoy Hotel group is set for a confrontation tomorrow at its annual general meeting at the Savoy with Trusthouse Forte.

TRH with 65 per cent of the low voting "A" shares is attempting to increase the number of directors on the Savoy board from 11 to 12 and is seeking to place Mr Eric Hartwell, joint chief executive of Trusthouse, on the board.

Savoy directors hold over 50 per cent of the vote in the share structure, and Trusthouse Forte holds over 38 per cent of the votes.

Water issues

The Bournemouth and District Water Company's recent offer for sale by tender of £1.5m 9 per cent redeemable preference stock 1987-89 attracted applications for £2.25m of stock. The lowest price to receive a partial allotment was £100 (the minimum tender price) and the average price obtained was £100.63.

The Wrexham and East Shropshire Water Company's offer of £2m of stock on the same terms attracted applications for £2.6m of stock. The lowest price to receive a partial allocation was again £100 and the average price £100.55.

SHARE STAKES

Single Group — K. P. Legg purchased 100,000 ordinary shares and M. S. M. Johns 2,500 ordinary.

Unilever—United States Debenture Corporation disposed of 142,500 third cumulative preference ordinary shares reducing holding to 60,000 shares (6.01 per cent). Norwich Union Fire Insurance Society acquired 142,500 third cumulative preference ordinary shares making total holding 142,500 shares (14.3 per cent).

The Burton Group—W. M. Wood, a director, has acquired by exercise of option 30,000 ordinary shares and disposed of 70,000

ordinary and 10,000 warrants.

Hartons Group—Anna Mai-mann, wife of director, acquired 80,000 ordinary shares.

Bischi Tin—Janet on May 21 purchased 25,000 ordinary and now owns 1.07m (16.4 per cent).

Altfund—Kuwait Investments Office holding of income shares is now 430,000 (8.96 per cent).

J. C. Small Tidmas—Tidmas S.A. holds 110,313 shares (9.19 per cent).

British Vita—F. A. Parker and J. H. Ogden, directors and

trustees of the estate of the late Norman Grimshaw, have transferred 174,361 ordinary shares to certain beneficiaries under the trust including 60,712 to N. W. Grimshaw, a director.

Baggeridge Brick—Royal Bank of Scotland London Trustee Company's shareholdings total 260,000 shares. These exceed 5 per cent of issued capital.

Schroders—Vincitas' interest increased from 2.06m (13.01 per cent) shares to 3.54m (22.6 per cent) as a result of the reorganisation of certain settlements made by members of the Schroder family of which it is now a trustee.

Mr M. D. Simmons has

Carlton Industries

Group Results for 1981

	1981 £'000	1980 £'000
Turnover (excluding Comben Group)	102,507	107,982
Group trading profit before taxation	8,069	12,240
Profit attributable to shareholders	6,006	9,380
Dividends per share	7.5p	12.0p
Earnings per share	22.1p	36.6p

Copies of the Report and Accounts are available from the Secretary, Carlton Industries PLC, Clifton Heights, Triangle West, Bristol BS8 1EF.

Laskys in £1m deal for Tyne Video

Laskys, the consumer electronics retailing division of Ladbrokes, has acquired for £1.1m cash, 75 per cent of the capital of Tyne Video, a company specialising in the sale and hire of commercial video equipment and the design and installation of video systems for industrial purposes.

Mr R. Bowden, who founded Tyne Video, will continue as managing director and retain a 25 per cent interest in the company. There are mutual options for Laskys to acquire the other 25 per cent after three years.

Staff cut plan for Pearson (Chesterfield)

THE RECEIVERS at Pearson and Co (Chesterfield) hope to obtain union agreement to lay off 60 of the company's 117 workers on Friday.

Mr Peter Seaman and Mr Tony Richardson of Peat, Marwick, Mitchell, chartered accountants, said attempts over the past seven weeks to find a buyer for the company, which makes traditional Derbyshire stoneware, had been unsuccessful.

The size of the existing business clearly does not justify the occupation of the whole of the company's Pottery Lane site and if it is too large to maintain a profitable company, they said.

The receivers are nevertheless still optimistic that the Pearson business, begun in 1810, can be continued.

Agreement has been "more or less reached" with the General and Municipal Workers' Union about the cuts. The workforce has already been cut from 240 since February.

Exco approves acquisition of W. I. Carr

The acquisition of W. I. Carr Sons and Co (Overseas) has been approved in a general meeting at Exco International. The acquisition is unconditional and it is expected that completion will be in June 1982 on completion of the audited account for Wico for the period to April 30 1982.

FIFE INDMAR

The directors of Fife Indmar have announced that following the acquisition of Park Naval Engineering the first additional payment of £158,000 will be made by the issue of 132,202 ordinary shares.

BALANCE SHEET '81—GROWTH AND SAFETY

In 1981 our total business volume exceeded 10 billion Deutsche Mark for the first time and the total equity amounted to DM 376 million.

We were able to considerably increase our net interest received and commissions. Since our operating expenses grew less rapidly, our result of ordinary business more than doubled.

After prudent value adjustment and after netting against extraordinary revenues and taxes, our net profit amounted to DM 174 million, which permits the payment of a 12% dividend.

Profit and Loss Account

(in million DM) 1981 1980

	1981	1980
Deposits	6,588	6,233
Due to banks	2,175	1,634
Loans	5,501	5,030
Due from banks	2,817	2,145
Business volume	10,124	9,023
Net interest received and commissions	329.4	256.1
Operating expenses	238.3	213.7
Result of ordinary business	91.1	42.4
Net profit	17.4	—

Our consolidated balance sheet includes Berliner Bank International S.A., Luxembourg, as well as our consumer credit group, leasing company and mortgage bank. Group business volume amounted to DM 19.4 billion at year end 1981. Further detailed information can be obtained from our Head Office in Berlin, our London Branch, or our Luxembourg subsidiary.

BERLINER BANK AKTIENGESELLSCHAFT

Head Office: Berliner Bank AG, Hardenbergstrasse 32 D-1000 Berlin 12 Telephone (030) 31092565

Branches: Düsseldorf-Frankfurt-Hamburg-München

London (Licensed Deposit Taker) Telephone (01) 2286521

In Luxembourg: Berliner Bank International S.A. Telephone 47781

Tate & Lyle

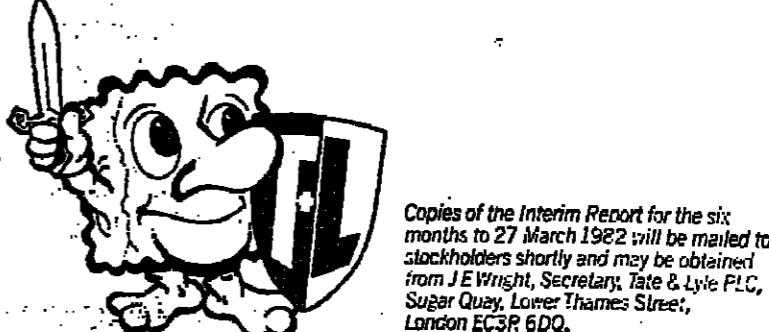
Points from the 1982 Interim Statement by the Chairman, the Rt Hon Earl Jellicoe

- UK refining has continued to benefit from the closer alignment of productive capacity with customer demand. Modernisation plans are proceeding satisfactorily.
- Our sugar trading and molasses businesses achieved improved results.
- Higher earnings by our associated companies.
- Redpath has faced the impact of low world sugar price and depressed economic conditions, resulting in losses in its Zymaize joint venture and construction materials division.
- Measures taken over the last three years should help us to maintain progress.

	1982 Six months to 27 March	1981 Six months to 31 March
Pre-tax profits	£15.0m	£14.4m
Interim dividend per £1 ordinary stock unit	4.0p	4.0p
Earnings per £1 ordinary stock unit	17.7p	13.6p

*Extraordinary profits nil £3.3m

*The results for the 6 months to 31 March 1981 have been adjusted for exchange rates at 26 September 1981.



Copies of the Interim Report for the six months to 27 March 1982 will be mailed to stockholders shortly and may be obtained from J. E. Wright, Secretary, Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3P 6DQ.

BRITISH CANADIAN RESOURCES LTD

Results for the year ended 31st December 1981

The Company was established in November 1980 and raised Can\$30m to participate in oil and gas exploration in North America.

Summary of Results

Reserves discounted at 15%	20%
Total resources*	Can\$40.3m
Equivalent per share	Can\$12.84
	Can\$10.89
Cash flow for year	Can\$2.3m
Equivalent per share	Can\$0.72
Net earnings for year	Can\$1.2m
Equivalent per share	Can\$0.39

*representing the value of reserves, working capital and undeveloped land.

- As at 31st December 1981, the Company had invested Can\$19.8m, out of which \$16.0m was spent on oil and gas exploration and on development. The Company had working capital of over Can\$11.0m and no debt.
- During the year 113 wells were drilled, of which 19 found oil and 51 found gas.
- Net income from sales of oil and gas amounted to Can\$739,000. During 1982, the Directors forecast net income from the sale of oil and gas of between Can\$2.5-3.0m.
- The Company's financial position will adequately support its commitments for the current year.
- By the end of 1982, the Company will have invested Can\$30m, of which at least 80% will have been spent in the United States and 20% in Canada.

Meeting for U.K. shareholders

As stated in its prospectus, the Company will hold annual meetings in London for its U.K. shareholders. The first such meeting will be held on 7th June 1982 at 11.30 am at The Ironmongers' Hall, Aldersgate, London, EC2.

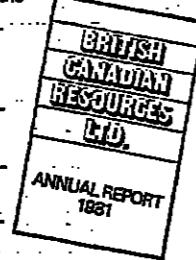
For copies or further copies of the 1981 Annual Report, please post the coupon below to Midland Bank plc, Registrars Department, Courtwood House, Silver Street Head, Shrewsbury, SY3 3RD (quoting reference "B.C.R.").

Please send me a copy of the Annual Report of British Canadian Resources Limited (and add me to your mailing list for the company's quarterly reports)*

*Cross out if not required.

NAME _____

ADDRESS _____



London United Investments Public Limited Company

	year ended 31st December	
	1981	1980
Turnover	£2000's	£2000's
Operating Profit	4,179	3,551
Insurance	32	142
Other		
Group overheads	(570)	(531)
Share of profits of associated companies	188	117
Group profit before taxation	3,829	3,279
Taxation	2,056	1,671
Group profit after taxation	1,773	1,608
Dividends	882	794
Earnings per share	20.10p	18.32p

The final dividend of 6p per share which, together with the net interim dividend already paid of 4p per share totals 10p per share for the year will be paid on Friday 25th June 1982 to shareholders on the register on Thursday 27th May 1982.

Insurance activities, on which the group concentrates, accounted for 99% of the gross operating profit, the majority of which was derived from overseas.

Copies of the Report and Accounts may be obtained from the Secretary, 12/13 Lime Street, London EC3M 7AA.

Companies and Markets

UK COMPANY NEWS

REPORTS TO MEETINGS

Sun Alliance hit by weather losses

THE Sun Alliance Group got off to a bad start in 1982, paying out £15m on winter weather claims in the UK since the New Year. Lord Aldington, chairman of the group said at the AGM that because of the impact of weather losses both at home and abroad, the group had sustained an overall loss in the first quarter, despite a satisfactory increase in investment income.

Referring to operations overseas, Lord Aldington stated that the difficult underwriting conditions still persisted and the total underwriting loss from overseas was higher than a year ago.

Mr Tim Collins, chairman of Royal Exchange Assurance also confirmed that losses from weather damage in the first quarter in the UK were the highest on record. He felt that the last year, the UK would not be able to produce an underwriting loss in 1982.

He reaffirmed that the primary

objective of the rights issue made a year ago was to actively seek opportunities for expansion through acquisitions particularly in the U.S. Many possibilities were examined during the year, but none were found to give good value for money or conform with the criteria required to meet shareholders' interests. The money raised would remain well invested until the right opportunities occurred.

Mr Philip Walker, chairman of Sun Life Assurance Society, told shareholders that the Society had continued to be fully invested in the first four months of this year, with the majority of new money being invested in fixed interest and index linked gilts. New life business, after a slow start because of the weather, was higher in the first four months of the year compared with last year. Group pension business, however, continued to be inhibited by the recession.

James Nell Holdings—Export demand had fallen as more markets enter into the recession from which the UK had been suffering. There was a modest upturn in UK demand but total sales for the first half of 1982 were unlikely to exceed those for the preceding six months. Impossible to predict second half trend but company in strong position to benefit from any upturn.

Sunra—Despite a poor start the group was 11.5 per cent ahead in the first five months of the current year. Acquisitions were being sought and company hoped to enlarge its scope soon.

Weir Group—Results for 1982 expected to be similar to 1981, with a better performance in the second half than in the first. Efforts being made to expand overseas markets for products and identify new ones.

INVESTMENT COMPANIES

Monks Investment lower

As predicted, the shift of further funds abroad left earnings of Monks Investment Trust lower for the year ended April 30 1982. At the pre-tax level they emerged at £2.72m, compared with £2.93m, and are expected to decline further in the current year.

The year's dividend is held at 2.4p net by a same-again final of 1.3p and although further drawings on the reserve revenue will be required in the current year, the directors do not intend to

WITAN INVEST.

After-tax revenue of Witton Investment Company improved from £3.38m to £3.73m for the year ended April 30 1982. Gross income rose by some 14 per cent to £5.99m, against £5.11m.

Earnings per 25p share rose by 13.8 per cent from 1.85p to 2.14p. A final dividend of 1.1p makes a total payout of 2.1p (adjusted 1.875p).

Net asset value per share was 94.7p (95.7p) taking prior charges at par, or 96.5p (100.8p) at market value.

F. & C. TST.

Pre-tax revenue of F and C Enterprise Trust for the period July 27 1981 to March 31 1982 totalled £156,508 after expenses of £35,493. Total revenue of the company, which obtained a Stock Exchange listing last July, amounted to £242,001.

Tax took £79,442 and stated earnings per 10p share were 1.15p. Net asset value per share as at end-March 1982 was 19.3p, amounting to £421,965.

The year's dividend is raised from 4p net to 4.25p for a higher total of 5.75p (5.5p) per 25p share. After preferred and ordinary dividends, net revenue retained was £29,001 (£49,312).

Net asset value per share was 149.875p (185p) after deducting debenture stocks and preferred shares at their nominal values and including dealing investments at market value.

ENGLISH & INT.

Revenue of English and International Trust increased slightly from £644,450 to £59,692 for the year ended April 5 1982, after tax of £27,357, agains £411,965.

The final dividend is raised from 4p net to 4.25p for a higher total of 5.75p (5.5p) per 25p share. After preferred and ordinary dividends, net revenue retained was £29,001 (£49,312).

Net asset value per share was 149.875p (185p) after deducting debenture stocks and preferred shares at their nominal values and including dealing investments at market value.

JERSEY GENERAL

Profit after tax at Jersey General Investment Trust improved from £955,000 to £1,03m in the year to April 30 1982.

A final dividend of 6.25p gross (6p, adjusted for the scrip issue) lifts the total to 10.75p gross per share (10p adjusted). Net asset value per £1 share is given as 182p, against 210p.

Yearlings total £13.55m

Yearling bonds totalling £13.55m at 13% per cent redeemable on June 1 1983 have been issued this week by the following local authorities.

Lothian Regional Council £0.5m; St Helens Metropolitan BC £0.5m; Tamworth (Borough of) £0.5m; West Somerset DC £0.5m; Hyndburn (Borough of) £0.3m; Newham (London Borough of) £0.75m; St Edmundsbury £0.6m; London (Corporation of) £1m; Chesterfield (Borough of) £0.5m; Glasgow (The City of) DC £1m; Copeland BC £0.5m; Chelmsford BC £0.5m; Dudley Metropolitan BC £1m; Hereford (City of) £0.5m; North Tyneside Metropolitan BC £1m; Preseli DC £0.5m; Swale DC £0.75m; Aberdeen (City of) DC £1m; Monklands DC £0.75m; Newbury DC £0.25m; Northampton BC £0.75m.

Lilw Valley (Borough of) has issued £1m of 14% per cent bonds at par for redemption on May 20 1987 and North Devon DC has issued £0.25m of 13% per cent bonds also at par for redemption on May 23 1984.

The final dividend of 6p per share which, together with the net interim dividend already paid of 4p per share totals 10p per share for the year will be paid on Friday 25th June 1982 to shareholders on the register on Thursday 27th May 1982.

Insurance activities, on which the group concentrates, accounted for 99% of the gross operating profit, the majority of which was derived from overseas.

Copies of the Report and Accounts may be obtained from the Secretary, 12/13 Lime Street, London EC3M 7AA.

LONDON TRADED OPTIONS

May 26. Total Contracts 638 Calls 482 Puts 156

Option	Exercise price	Closing offer	Vol.	Closing offer	Vol.	Closing offer	Vol.	Equity close
BP (c)	280	64	15	72	5	—	—	316p
BP (c)	280	44	15	52	7	26	—	—
BP (c)	330	9	1	18	—	—	—	—
Gons. Gld (c)	360	16	30	25	1	45	—	354p
Gons. Gld (c)	390	2	1	20	—	52	—	—
Gons. Gld (c)	420	2	1	5	—	—	—	—
Gons. Gld (c)	390	37	1	50	—	52	—	—
Gons. Gld (c)	420	67	—	77	13	50	21	38p
Gons. Gld (c)	450	13	58	18	9	52	21	38p
Gons. Gld (c)	480	13	58	18	10	13	14	302p
Gons. Gld (c)	510	13	58	18	10	13	14	302p
Gons. Gld (c)	540	13	58	18	10	13	14	302p
GEO (c)	650	120	—	137	—	—	—	—
GEO (c)	650	120	15	100	—	—	—	—
GEO (c)	900	34	15	55	1	5	—	—
GEO (c)	850	10	—	20	—	—	—	—
Grid Met. (c)	180	30	—	35	5	—	—	308p
Grid Met. (c)	200	15	12	15	—	—	—	—
Grid Met. (c)	220	15	12	15	—	—	—	—
Grid Met. (c)	250	15	12	15	—	—	—	—
Grid Met. (c)	270	15	12	15	—	—	—	—
ICL (c)	300	24	5	40	1	48	—	322p
Land Sec. (c)	320	24	5	22	—	—	—	—
Land Sec. (c)	350	1	—	—	—	—	—	—
Shell (c)	330	106	—	112	—	—	—	—
Shell (c)	350	76	1	64	—	—	—	—
Shell (c)	380	48	72	58	—	—	—	—
Shell (c)	410							

<p><i>Jeffie 1/10</i></p>	<p>CMG TURNOVER 1981-82 £19.3m</p>
<p>CMG TURNOVER 1980-81 £16.1m</p>	<p>CMG TURNOVER 1980-81 £16.1m</p>
<p>CMG TURNOVER 1979-80 £14.3m</p>	<p>CMG TURNOVER 1979-80 £14.3m</p>
<p>CMG TURNOVER 1978-79 £11.8m</p>	<p>CMG TURNOVER 1978-79 £11.8m</p>
<p>Banking ABN Bank Allgemeine Deutsche Credit-Anstalt American Express Internat Banking Corp Amsterdamsche Effecten en Commissiebank NV Antony Gibbs & Sons Ltd Arab Bank Ltd BCI Bankers Automated Clearing Services Ltd Bankers Trust GmbH Bank für Gemeinwirtschaft AG Bank Tejarat Bank of Baroda Banque de Paris et des Pays-Bas Banque Nationale de Paris BHF-Bank Berliner Handels — und Frankfurter Bank Barclays Bank International Ltd Credit Industriel et Commercial Credit Suisse Dominion Securities Ltd Federated Trust Corporation Ltd F. van Lanschot Bankiers NV Girard Bank Hessische Landesbank Girozentrale AG Hollandsche Bank-Unie NV International Commercial Bank International Energy Bank International Westminster Bank Japan International Bank Lazard Brothers & Co Ltd Leopold Joseph & Sons Ltd London Interstate Bank Manufacturers Hanover Trust Company Morgan, Guaranty Trust Company of New York National Bank National Bank National Werken Nederlandse NV Bank voor Gemeenten NV Slavenbu Privatbanken Rabobank N Schneider & Schröder Mi Bank Scottish Tru Computer C SWIFT-Pool</p>	<p>Services — Other Ahold NV Cegos Italia Duxberry-Hyde Associates Ltd Huggler & Co Kemps Contact Lenses Ltd Keser Beheer BV Maritz UK Ltd S G Ripley & Co (Management Consultants) Ltd Storkdata BV Strategic Vending Services Ltd Westminster Dredging Company Ltd</p> <p>Services — Technical Bradbury Wilkinson & Co Ltd Gebrs Paes BV Overseas Technical Services (Harrow) Ltd Röntgen Technische Dienst Sir Frederick Snow & Partners Thomas Howell Selfe Ltd</p> <p>Recreation — Music BBC Enterprises Ltd Betwin Mills Music Ltd Boosey & Hawkes Music Publishers Ltd Het Concertgebouw NV Trident Recording Studios Ltd</p> <p>Recreation — Catering Carlsberg Distributors Ltd Creamery Fare Ltd Jacques Borel Nederland BV Marriott Inflight Services Ltd Raines Dairy Products Ltd Watney Mann & Truman Brewers Ltd</p> <p>Recreation — Travel Europ Assistance Ltd Hanson Travel Service Ltd intasun North Ltd Scottish Express International Wardair UK Ltd</p> <p>Recreation — Sport Arsenal Football Club Ltd Brighton & Hove Albion Football Club Charlton Athletic Football Club Fulham Football Club Ltd Watford Association Football Club Ltd</p> <p>Publishing & Printing Keesing BV Riverside Publishing Printers Ltd Soc Internationale D'Editions Time Out Ltd Verenigde Noordhollandse Dagbladen BV</p> <p>Social Securities De Samenwerk Gemeenschappelijk Administratiekantoor Sociaal Fonds Bouwrijverheid Stichting Informatievoorziening Ziekenhuizen Groningen en Kennemerland</p> <p>Building/Contracting/Construction Antwerpse Bouwwerken Verbeek CBI Constructors Ltd Ferro Frank Ltd French Kier Construction Ltd Galliford Construction Ltd Grayston Plant Ltd P J Morris & Sons (England) Ltd Palmer's Scaffolding Ltd Ryeford Homes Ltd Sir M Macdonald & Partners Ltd Vogel Spuitbeton BV</p> <p>Commodity & General Trading Albert Scheid BV Alpha Gest E D & F Man (Services) Ltd Ets A Marchal SA European Grain & Shipping Ltd Fitch Lovell Ltd Handelwij J & J Vinke BV Herman Miller & CIE Insteel Ltd L M Fischel & Co Ltd M W Hardy & Co Ltd Sime Darby Commodities Ltd McConomy & Co Ltd Sumitomo Benelux & Europe BV Velda</p> <p>Advertising & PR En Reclame — en Adviesbureau HVR Grant Forrest & Partners Ltd</p> <p>Shipping/Oil Exploration</p>

IT'S NOT JUST OTHER PEOPLE'S COMPANIES WE'VE HELPED MAKE SUCCESSFUL.

The list of companies we advise on computer services grows all the time. As does our turnover.

1981/82 has seen a growth of almost 20%. And our assets now exceed £1 million.

But this year CMG has seen much more than just a growth in turnover.

We've successfully launched Microfact. A unique micro computer system which not only has excellent accounting, financial planning, payroll and word processing facilities but also links into our

computer centres for extra capacity.

And we've increased our number of subsidiary companies to seventeen. With the acquisition of Incomputer in Guildford and the formation of CMG Advies BV, our sixth company in The Netherlands.

But perhaps what we're most proud of is our growth in staff involvement.

Because following the employee buy-out of £1 million in shares from a retiring director, all the shares in the group are now owned by 480

working directors, managers and staff.

And our future looks even brighter. Because a recent major survey on software shows an increasing demand for package solutions and complete project staff throughout Europe.

And it doesn't require a computer to tell you that no one's better equipped to handle that demand than CMG. For information write to: CMG Ltd, Lennig House, Masons Avenue, Croydon CR0 1EH. Tel: 01-688 2261.

CMG

EUROPE'S LEADING INDEPENDENT COMPUTER SERVICES COMPANY

A major U.S. car maker is looking East. Richard Lambert reports

General Motors changes gear

GENERAL MOTORS' decision to import small cars from its Japanese affiliate, Isuzu Motors, forms part of an important strategic shift which is currently under way at the world's largest motor manufacturer. Analysts say it shows the group has finally recognised the difficulty of producing small cars in the U.S. at a competitive cost, and that it can no longer rely entirely on its own resources.

Apart from the deal with Isuzu, GM is also discussing with two other Japanese companies the scope for co-operation in the production of small cars. In a different area, it has recently concluded a joint venture with Fujitsu Fanuc of Japan to design, build, and market robots in the U.S.

GM has held a 34 per cent interest in Isuzu since 1971. It already markets light pick-up trucks built by the Japanese company, which it also uses as a source of components. In the deal, announced this week, GM now intends to purchase a \$200m convertible debenture in Isuzu, which will cover about half the cost of producing a new small car in Japan, and take its ultimate shareholding up to about 40 per cent.

The new model, which will have front wheel drive and be broadly comparable in size to the Chevette, will be produced at an annual rate of around 300,000 vehicles by 1984. GM will take between 150,000 and

200,000 of the cars, and Isuzu will market the rest.

The group is also holding talks with Suzuki Motor, in which it holds a 5 per cent stake, about the scope for importing a new "mini" model, much smaller than anything currently built by GM.

And what could be the most significant talks of all are underway with Toyota, about building what in effect would

U.S. car makers are finding it difficult to produce small cars at a competitive cost and are turning to Japan for help. GM is no exception. It is talking with no less than three Japanese groups on the scope for co-operation

to a Chevette replacement on a joint-venture basis in the U.S.

In a recent analysis, Ms Maryann Keller of brokers Paine Webber Mitchell Hutchins said there was probably a better than 80 per cent chance of a partnership being formed between the two companies.

The arrangement would be a much less expensive way for Toyota to enter the U.S. than through a green field operation, and GM dealers would benefit from a competitively priced, quality small car to bolster their business in that sector.

At the same time Ms Keller argued, "the company would be able to eliminate the

lengthy—and ultimately unsuccessful—talks with Toyota about the possibility of a joint venture. Its Japanese links are limited at present to a 25 per cent shareholding in Toyo Kogyo, from which it has been importing Courier light pick-up trucks for the past ten years. This connection has become less important since Ford launched its Ranger commercial vehicle. Courier imports have fallen from around 65,000 to under 40,000 a year.

Chrysler has a much more significant relationship with the Japanese. It bought 15 per cent of Mitsubishi Motors in the fat days of the 1970s, and planned to take more before it ran out of money. It now imports the Colt, Champ, Sapporo and Challenger models from Japan, as well as a light truck. In its recent advertising, it has been playing down the Chrysler connection, and emphasising what it calls the market's "perception of Japanese quality."

Japanese imports accounted for more than 110,000 of Chrysler's 341,000 sales of cars last year, and it also imported 34,000 trucks compared with its own domestic sales of 153,000. As from next year, it will no longer have an exclusive right to sell Mitsubishi products in the U.S., but says the Japanese connection will play an important part in its plans for the foreseeable future.

GM is not alone in turning to Japan for help in the small car market. Last year Ford had

General Host may buy European food operation

By TERRY BYLAND

AN ACTIVE search for an acquisition is underway at General Host, the Stamford-based manufacturer of specialty foods and salt and milk products. Mr H. Ashton, chairman and president, said in London yesterday that the group seeks a specialty food operation and sees opportunities for such an acquisition in Europe.

General Host, which takes about 35 per cent of its profits from specialty food operations, expects to pay about \$100m on such an acquisition.

In 1981, income from continuing operations totalled \$11.6m or \$2.46 a share on revenues of \$499.8m.

Mr. Ashton added that the group will have around \$30m cash available at the year-end, board, the policy of concentrat-

after allowing for conversion of debenture stock, and has \$55m in revolving bank credits available.

General Host remains confident of achieving its 20 per cent earnings growth target over the next three years. "Our business has remained recession-proof," said Mr Ashton. "U.S. shoppers are cutting back on big ticket items but those in work have more money to spend on basic foodstuffs than they did a year ago."

Reduction of debt equity ratio is a major boardroom aim. Mr Ashton said the present ratio of 61 per cent should come down to 40 per cent over the next year as the group converts a debenture issue whose conversion price is now close to the market price of the shares.

Earlier this month, the number one U.S. maker of construction machinery said it would lay off additional hourly employees and downgrade 650 management and 325 weekly salary employees.

Last month the group reported a drop in first quarter profits from \$142.4m to \$42.5m or \$1.64 to 48 cents a share, down from \$2.26m to \$1.96m. But the group maintained its 67.5 cents a share dividend.

Caterpillar said that in addition to the indefinite salary freeze, it will also suspend quarterly cost of living adjustments, merit and general increases normally granted each year.

Payment in lieu of unused vacation time for the holiday year beginning June 1 will also be discontinued.

UAL to cancel or delay Boeings

By Richard Lambert in New York

UNITED AIRLINES, the largest U.S. domestic carrier, has asked Boeing to cancel or substantially delay delivery of 20 Boeing 767 aircraft, worth about \$800m.

UAL has also said that if Congress repeals concessions in the tax law, it could cancel the remaining 19 Boeing 767s on order.

In March the airline asked Boeing to stop work on the 20 aircraft, which were due to be delivered in 1983 and 1984. Mr. Richard Ferris, UAL chairman, said yesterday that economic recovery was not taking place, and fare wars were continuing to deplete the industry.

"Because of these factors and the need to be financially prudent, we notified Boeing that we will immediately begin negotiations to cancel or substantially delay delivery of 20 of the 39 Boeing 767s we have on order," he said. He gave no indication of the size of any cancellation penalties.

UAL was the first airline to order Boeing 767, placing its \$1.63m order in July 1978.

The first three or four have almost been completed and are undergoing tests. Seven are due to be delivered in the second half of this year.

McDermott earnings at record \$213.4m

By OUR NEW YORK STAFF

McDERMOTT, the large New Orleans-based energy services company, yesterday reported a steep rise in profits for the first quarter, ending a year which has seen a marked upturn.

Net income was \$52.3m or \$1.28 a share, almost 56 cents a share earned in the same period of 1981. Revenue was up by a smaller proportion, from \$1.1bn to \$1.3bn.

This brought McDermott's full-year profits to \$213.4m or \$4.88 a share, compared with \$39.6m or \$1.89 a share in 1981. Revenue was \$4.8bn, up from 40,000 a year.

Revenues and profits were up in the company's Engineered Materials and Marine Construction Services divisions. Power Generation Systems continued to perform satisfactorily in difficult market conditions which have now prevailed for eight years.

C\$63m Eurobond issue for Austrian export bank

By OUR EUROMARKETS STAFF

AUSTRIA'S EXPORT credit bank, Österreichische Kontrollbank, is seeking to raise C\$63m on the Euromarket through a six-year bond issue priced at par and carrying a 10.1 per cent coupon.

The issue, which is slightly unusual because the Canadian dollar sector is normally only tapped by Canadian borrowers, is being led by Swiss Bank Corporation International and Orion Royal Bank.

In the same market, the Bell Canada C\$100 seven-year issue was priced at 994 with a coupon of 16 per cent to give a yield of 16.1. The issue had been initially launched with an aggressive indicated coupon of 16.1.

In the West German market a DM 100m seven-year issue for the Kingdom of Sweden was privately placed by Deutsche Bank. The note bears a coupon of 8.1 per cent priced at 993.

Lead manager Dresdner Bank priced Barclays Bank International's 12-year DM 100m issue at 991 with a coupon of 8.1.

Prices in this market remained largely unchanged despite the large number of new issues—they have been

Operating income slips at Litton

By Our Financial Staff

OPERATING INCOME has fallen in the third quarter of this year at Litton Industries, the defence, shipbuilding and manufacturing company.

But the operating total for the nine months still shows a gain, from \$219.7m to \$241.5m or \$5.90 a share.

Third-quarter operating earnings were \$20.3m or \$1.62 a share, against \$33.9m or \$2.05 a share a year ago. Revenues were steady at \$1.36bn in the third quarter up from \$1.35bn to \$3.79bn for the nine months.

At the beginning of this year, Litton was looking for gains in group sales, largely from the defence and energy related businesses.

But softness in European markets, which bring in a major part of the 26 per cent of group sales chalked up overseas, was expected to hinder international growth.

However, the quarterly dividend was increased by 14 per cent to 40 cents a share in April and, for the medium term, further growth is likely to come from the group's defence business and from its business and industrial systems division.

Goldman Sachs to buy London banking unit

By Paul Taylor

GOLDMAN SACHS, the U.S. investment bank, has tentatively agreed to acquire First

Dallas, the London-based merchant banking subsidiary of First National Bank in Dallas for an undisclosed sum.

The acquisition, which is subject to regulatory authority approval, will almost certainly give Goldman Sachs the status of a licensed deposit taker in the UK—a stepping stone to becoming a fully recognised bank.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobonds which will be published next on Wednesday June 16.

Closing prices on May 26

Change on

U.S. DOLLAR STRAIGHTS

Issued Bid Offer Day week Yield

Aetna Life 68.97 150 102.102 +0.4 +15.42

Amax Int. Fin. 104.92 150 104.105 +0.4 +15.25

APS Fin. 144.83 75 104.105 +0.4 +14.62

APS Fin. Co. 154.89 75 103.103 +0.4 +15.25

Bank of America 104.92 225 127.100 +0.4 +14.06

Baker Int. Fin. 0.92 225 104.104 +0.4 +14.95

BHP Finance 144.89 100 104.104 +0.4 +14.95

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int. SA 12.87 200 103.103 +0.4 +13.94

Bk. Amer. Int

Volvo to float investment offshoot

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

VOLVO, the Swedish motor, engineering and trading group, yesterday reported first quarter earnings of SKr 516m (\$80.5m) and a 23 per cent rise in sales to SKr 14.9bn (\$2.6bn).

At the same time it announced the formation of a new investment company to hold the shares portfolio with a current market value of just over SKr 1bn acquired when the Beijerinvest group was bought last year. This company will be introduced on the Stockholm stock exchange at the beginning of 1983 and its shares will be offered for sale to Volvo's shareholders.

The car operation continues to perform well on a weak world

market. Car sales rose by 33 per cent compared with the first quarter of 1981 to just over SKr 4bn. About 76,000 cars were delivered, the biggest advances being recorded in the U.S., Britain and Italy. Output of cars is to be stepped up this year.

Sales of heavy vehicles climbed by 34 per cent to SKr 2.9bn, truck sales moving ahead by 49 per cent to SKr 2bn. But the market remains depressed in Western Europe and North and South America and the order book for trucks was lower than a year earlier. Truck earnings during

the first quarter were nevertheless higher.

STC, a former Beijerinvest company, will remain within the Volvo group, as will the Beijerinvest industrial and foodstuffs concerns, when the new investment company is formed.

Volvo had intended to form an investment company as the controlling organ for the expanded group. This has proved to be impracticable, as an investment company would not qualify for the tax credits on new share issues which Volvo can claim if it remains an operating concern.

Higher first quarter for Ennia

By Walter Ellis in Amsterdam

ENNIA, the third-largest Dutch insurance group, lifted after tax profits by 5.5 per cent in the first quarter of this year to F1.21.4m (\$8.3m). This was after the transfer to the emergency contingency fund of F1.25m—the same amount as in the first three months of 1981.

Gross receipts increased by 22 per cent to F1.10.05bn, although if allowance is made for the effect of the purchase at the end of last year of National Old Line, the rise was 11 per cent.

Profit per ordinary share rose by 1 per cent to F1.627, compared with F1.621. Shareholders' funds per ordinary share amounted to F1.219.36, against F1.273.77.

Long-term private loans were F1.10m. Gross receipts from life assurance rose by 25 per cent and pre-tax profit in the sector went up from F1.22.8m to F1.29.9m.

General insurance gross receipts rose by 21 per cent, but pre-tax profit here was down from F1.7.5m to F1.1.8m, because of reduced rates and higher claims costs in the motor insurance sector.

The board continues to believe that profit for 1982 as a whole will exceed that for 1981, if only slightly. The number of ordinary shares will show a further increase this year, says the board. It does not, therefore, feel able to predict the development of profit per share.

Austerity plan for Cockerill

By Our Financial Staff

COCKERILL-SAMBRE, the Belgian steel company, has drawn up a comprehensive austerity plan aimed at making it profitable again by 1985. It plans to reduce the workforce by 3,000 from 25,000, hold down wage costs and cut production capacity to 6.1m metric tons from the present 8.5m.

The government-controlled company—the product of a merger in mid-1981 between Cockerill of Liege and Hainaut-Sambre of Charleroi—lost BFr 17.7bn (\$405m) last year, up from BFr 12.3bn in 1980.

It had first quarter losses this year of BFr 3.5bn, but is seeking to hold the total deficit for the year at BFr 5.5bn.

Thomson-Brandt sale to Philips

BY TERRY DODSWORTH IN PARIS

IN THE first major divestment by one of France's newly-nationalised industrial companies, Thomson-Brandt has agreed to sell its majority stake in Compagnie des Lampes to Philips of Holland.

No figure has been revealed yet for the deal, which has not been opposed by the French authorities. But on the basis of Compagnie des Lampes' last share price of FF 174, the market value of the group stands at about FF 120m (\$20m).

Thomson, France's leading electronics and consumer electrical company, holds about 65

per cent of Compagnie des Lampes, while CGE, France's other recently nationalised electrical giant, has 12 per cent. The rest of the equity is believed to be widely distributed.

In a joint statement with Philips, Thomson said that the objective of the deal will be to create a stronger company in France with a "European dimension." New investments are envisaged to improve the company's competitiveness, while reinforcing its presence on export markets.

The two companies were convinced that the agreement was the best guarantee for the

future of the lighting group and of its labour force.

The deal leaves France with a large, French-owned lighting company following the similar acquisition of Claude by GTE Sylvania of the U.S. three years ago.

Thomson, however, was faced with heavy investments in Compagnie des Lampes, which slid into losses of about FF 40m last year, with Thomson itself now experiencing financial problems—losses for 1981 are expected to amount to about FF 180m—the new management has decided to concentrate its investments on priority areas.

Svenska Finans in leasing deal

BY OUR NORDIC EDITOR IN STOCKHOLM

SVENSKA FINANS, Sweden's largest finance company, is paying \$15m cash for Commercial Funding, a leading U.S. specialist in capital equipment leasing. The acquisition is subject to the approval of the U.S. Federal Reserve Board.

Svenska Finans, which is owned by Svenska Handelsbanken, is buying the U.S. company in partnership with Nordic American Banking Corporation (NABC) of New York, Copenhagen Handelsbank, Kansallis Finance of Helsinki and Factorin Finans of Oslo.

NABC is owned in equal 25 per cent shares by Copenhagen

Handelsbank, Kansallis Osake Pankki of Finland, Den norske Creditbank of Norway and Svenska Handelsbanken, whose combined assets exceed \$38bn.

Mr John Nelson, NABC president, said here yesterday that the acquisition of Commercial Funding represented a big step towards his bank's goal of providing Nordic companies with the broadest possible range of wholesale banking services in the U.S.

Commercial Funding had a leasing volume of \$120m last year. It is owned by Mr Alan Fisher, its chief executive, and a partner, Mr Fisher will con-

tinue as chief executive and Commercial Funding will remain an independent company.

Equipment leasing provided a quarter of the \$38bn financing for new equipment in the U.S. last year, said Mr Fisher. This compares with 11 per cent in the UK and between 5 and 6 per cent in Sweden.

The target business for Commercial Funding would be the \$1.76bn of capital goods the Nordic companies exported to the U.S. last year, Mr Fisher said. In addition there was \$545m in direct Nordic investments in the U.S.

Swedish bank lifts profit

BY OUR NORDIC EDITOR IN STOCKHOLM

SKANDINAVISKA ENSKILDA, the major Swedish bank, more than doubled consolidated results in the first four months, turning in an operating profit of SKr 600m (\$104m) against SKr 295m for the corresponding period last year.

The comparison, however, does not accurately reflect the company's performance as bank earnings were particularly weak in the first four months of 1981, contributing only one-fifth of total 1981 profits.

The bank's income declined by SKr 30m to SKr 1.08bn for the four months, compared with the last four months of 1981, owing to both a lower return on commissions and diminished net interest.

That "clearly higher" results will be achieved by both the group and the bank than the SKr 1.44bn and SKr 1.13bn they turned in respectively last year.

All the figures have been adjusted to conform with the new accounting principles introduced by the Swedish banking inspectorate this year. They call for losses incurred on the sale of bonds to be written off at the rate of a third a year over a rolling three-year period from the beginning of 1980.

The bank's income declined by SKr 30m to SKr 1.08bn for the four months, compared with the last four months of 1981, owing to both a lower return on commissions and diminished net interest.

Against the preceding four months, the bank's operating profit slipped by SKr 50m, but the management considers that it is in line with its profit forecasts for 1982. These assume

Italian insurer raises earnings

By Rupert Cornwell in Rome

ASSICURAZIONI Generali, the biggest Italian insurance group and the leading blue chip share on the Milan bourse, yesterday reported a net profit of 148.5bn (\$36m) for 1981, compared with 139bn.

The group, whose premium income last year reached £4,000bn, plans to pay shareholders a higher dividend of £1.100 compared with £0.950.

Generali also plans a free distribution of shares in its Alleanza insurance subsidiary, on the basis of one for every 50 Generali shares currently held. Its own capital will be lifted to £1.25bn from £1.00bn via a one-for-four free issue.

ENKA reduces net deficit

By Our Financial Staff

ENKA, THE West German fibres arm of the Dutch chemical group Akzo, reports reduced losses for 1981.

On sales up modestly from DM 3.6bn to DM 4.1bn, net losses last year were lowered to DM 20m (\$8.3m), against DM 31.4m in 1980. The parent company cut its deficit to DM 2.3m from DM 52.3m.

Enka said there are more signs which point to a deterioration in 1982 earnings in the European chemical fibre industry than point to an improvement. A general economic recovery cannot be expected before mid-1982 and European sales of textile chemical fibres are likely to fall this year.

The extent to which this fall in sales will hit earnings depends largely on how sharply West European producers reduce excess capacity in 1982, the company said.

Losses decline at SSIH

By John Wick in Bienna

LOSSSES were sustained last year by SSIH, the Swiss watch group. A further deficit is expected for 1982.

Operational losses amounted to SwFr 92m (\$42m) for 1981, compared with SwFr 162.5m. Net losses, which had been SwFr 161.6m in 1980, were reduced to SwFr 38.4m but only after transfers of SwFr 41.2m from special provisions and assets sales worth a net SwFr 2.4m.

A further substantial operational loss was unavoidable this year, and would probably equal the SwFr 28m remaining in the special provisions fund, said the company.

Turnover dropped by 10.3 per cent to SwFr 550.2m despite a 3.8 per cent increase, to more than 1.93m units, in the sale of watches and watch movements. The decline in sales figure was largely a result of currency strength.

The company said a merger with Asdag, Switzerland's leading watch concern, was not a subject for discussion at present. However, there were numerous ways in which existing co-operation between the two groups could be expanded. These might include new links in marketing and technical services.

German engineer boosts turnover

BMW starts engine production at Steyr

BY KEVIN DONE IN FRANKFURT

BMW, the West German maker of high performance cars and motorcycles, has started engine production at its new DM 500m plant at Steyr, Austria.

The project is an important step towards diversification by BMW, which is aiming to sell up to 60 per cent of the Steyr engine output to third-party customers.

Output of six-cylinder petrol engines began last week at the Austrian plant and will be followed early next year with the start of diesel engine production. Petrol engine output in Austria will help ease the existing production bottleneck at BMW's existing engine works in Munich.

Domestic operations increased sales by 22 per cent, foreign companies by 13 per cent, with the share devoted to exports rising from 55 to 61 per cent.

A 1.2m tonnes order from the Soviet Union for large-diameter pipes, presumably for the controversial Urugay gas pipeline, will run through this year and next and has increased Mannesmann's dependence on this market to 62 per cent of exports. Elsewhere, demand for oil country pipes has fallen in the face of diminished drilling activity but orders booked for seamless pipe overall in the first quarter account for almost half of Mannesmann's planned production for the year.

Pipe production increased to almost 1m tonnes in the first quarter while crude steel output rose by 13 per cent. There were also increased orders at Mannesmann's Brazilian subsidiary and at Hartmann and Braun, the manufacturer of electrical measuring equipment consolidated for the first time in 1981. Even Kleenze Apparate, the data processing concern which Mannesmann acquired at the end of February, is expected to profit by 1984 after losses of around DM 30m last year.

Herr Overbeck announced that the group planned investment of around DM 750m a year between now and 1985, particularly in the mechanical engineering and industrial plant divisions, after fixed investments of DM 688m in 1981. The board is proposing this year to raise DM 310m through a rights issue.

In 1981 the group recorded net earnings of DM 272m, 49.5 per cent higher than in 1980. On external sales of DM 15.4bn, 18 per cent higher than in the previous year. The dividend was lifted from DM 5.5 to DM 6.

ENKA reduces net deficit

By Our Financial Staff

ENKA, THE West German fibres arm of the Dutch chemical group Akzo, reports reduced losses for 1981.

On sales up modestly from DM 3.6bn to DM 4.1bn, net losses last year were lowered to DM 20m (\$8.3m), against DM 31.4m in 1980. The parent company cut its deficit to DM 2.3m from DM 52.3m.

Enka said there are more signs which point to a deterioration in 1982 earnings in the European chemical fibre industry than point to an improvement. A general economic recovery cannot be expected before mid-1982 and European sales of textile chemical fibres are likely to fall this year.

The extent to which this fall in sales will hit earnings depends largely on how sharply West European producers reduce excess capacity in 1982, the company said.

N. America outlook casts cloud over KHD

N. America outlook casts cloud over KHD

By Our Bonn Staff

KLOECKNER - Humboldt-Deutz, the West German engineering concern, got off to a good start in the first four months of 1982.

Herr Bodo Liebe, chief executive of the diesel engine, process plant and agricultural machinery group, does not expect this good performance to be matched for the rest of the year.

The group is particularly concerned about the deteriorating market for engines and farm machinery in North America, which absorbed 13 per cent of the group's DM 4.9bn (\$2.12bn) in external sales last year, and by the squeeze on income in Opec, which swelled last year's order book with two major cement plant orders from Iraq and Saudi Arabia.

Last year, the group recorded net earnings of DM 37.1m, unchanged from 1980 but on 4.4 per cent higher sales. It will propose an unaltered dividend of DM 7 per DM 50 share.

This advertisement appears as a matter of record only

Kansallis - Osake - Pankki

(Incorporated with limited liability in Finland)



U.S. \$50,000,000

Floating Rate Capital Notes 1992

Nordic Bank PLC

Credit Suisse First Boston Limited

Kansallis International Bank S.A.

Crédit Lyonnais

Dai-Ichi Kangyo International Limited

Deutsche Bank

Aktiengesellschaft

European Banking Company Limited

Manufacturers Hanover Limited

Mitsubishi Trust & Banking Corporation (Europe) S.A.

Morgan Stanley International

National Bank of Abu Dhabi

This announcement appears as a matter of record only



Taiwan Power Company

US \$100,000

This advertisement appears as a matter of record only

New Issue
April 13, 1982

U.S. \$ 70,000,000

B.A.I.I. FINANCE COMPANY N.V.

(Incorporated with limited liability in the Netherlands Antilles)

GUARANTEED FLOATING RATE NOTES DUE 1989

Unconditionally and irrevocably guaranteed by

COMPAGNIE ARABE ET INTERNATIONALE
D'INVESTISSEMENT

(Incorporated with limited liability in Luxembourg)

BANQUE NATIONALE DE PARIS KUWAIT INVESTMENT COMPANY (S.A.K.)
ALGEMENE BANK NEDERLAND N.V.
ARAB PETROLEUM INVESTMENTS CORPORATION
BANK OF AMERICA INTERNATIONAL LIMITED
THE BANK OF KUWAIT AND THE MIDDLE EAST K.S.C.
CIBC LIMITED
THE GULF BANK K.S.C.
MERRILL LYNCH INTERNATIONAL & CO.
NATIONAL BANK OF ABU DHABI
THE NATIONAL COMMERCIAL BANK SAUDI ARABIA
SAUDI INTERNATIONAL BANK
SUMITOMO FINANCE INTERNATIONAL
UNION BANK OF SWITZERLAND (SECURITIES) LIMITED
BANQUE ARABE ET INTERNATIONALE D'INVESTISSEMENT (SAID)

Alitali Bank of Kuwait K.S.C. Al-Mal Group Arab Asian Bank E.C. Arab Bank Investment Company Limited
The Arab Investment Company Banco Arabe Espanol, SA. Bank Gattaville, Kurn, Bousquier (Overseas) Limited
Bank of Tokyo International Limited Banque Francaise du Commerce Extérieur Banque Worms
Bunyan Bank S.A.K. - Kuwait BNP - Dafwa (Hong Kong) Limited Continental Illinois Limited
Credit Agricole Crédit Commercial de France Crédit Industriel et Commercial
The Development Bank of Singapore Limited European Banking Company Limited
Fuji International Finance Limited Kidder, Peabody International Limited Kleinwort, Benson Limited
Kuwait International Investment Co. s.a.k. LTCB International Limited Middle East Bank Ltd
Mitsubishi Bank (Europe) S.A. Samuel Montagu & Co. Limited Morgan Guaranty Ltd
Nippon Credit International (HK) Ltd. Nippon European Bank S.A. Rabobank Nederland Société Générale
Tokai Bank Nederland N.V. Union de Banques Arabes et Françaises — URAF. S.G. Warburg & Co. Ltd.
Banci Bruxelles

This announcement appears as a matter of record only

ennia nv

The Hague, The Netherlands

U.S. \$ 60,000,000

15 1/2% Notes 1982 due May 1, 1987

Amro International Limited Morgan Stanley International
Kredietbank S. A. Luxembourgeoise

Algemene Bank Nederland N.V.
Deutsche Bank Aktiengesellschaft
Morgan Guaranty Ltd
J. Henry Schroder Wag & Co. Limited
Swiss Bank Corporation International Limited

May 4, 1982

This advertisement complies with the requirements of The Stock Exchange.

The Regional Municipality of
Ottawa-Carleton
(CANADA)U.S. \$40,000,000
14 1/2% Debentures due June 15, 1997
Issue price 99%

Wood Gundy Limited

Credit Suisse First Boston Limited

Kredietbank International Group

Merrill Lynch International & Co.

Société Générale

Deutsche Bank Aktiengesellschaft

Lévesque, Beaubien Inc.

Morgan Guaranty Ltd

Union Bank of Switzerland (Securities) Limited

S. G. Warburg & Co. Ltd.

The Debentures have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the global interim debenture.

Interest is payable annually on June 15, the first payment being made on June 15, 1983.

Particulars of the Region and the Debentures are available in the Exetel Statistical Service and copies may be obtained during usual business hours up to and including June 10, 1982 from:

R. Nivison & Co.
25 Austin Friars
London EC2N 2JBWood Gundy Limited
38 Finsbury Square
London EC2A 1SBCompanies
and Markets INTERNATIONAL COMPANIES and FINANCE

OEM exports boost Fujitsu results

BY YOKO SHIBATA IN TOKYO

FUJITSU, Japan's largest computer maker, as well as a major manufacturer of telecommunication and other information equipment, has reported strong growth in unconsolidated earnings for the fiscal year ended March 31, thanks to brisk sales of highly profitable large-sized computers centring on supplies for OEM (original equipment manufacturing) to overseas manufacturers.

Pre-tax profits advanced by 54.4 per cent to a record Y50.05bn (\$31.1m). After provisions of Y2.4bn for internal reserves and Y2.5bn of expenses for new share issues, net profits totalled Y22.89bn, up by 24.1 per cent from the previous year. Sales were a record Y671.1bn (\$2.83bn), 15.4

per cent higher, and profits per share increased to Y28.15, from Y20.70. The company is paying an unchanged dividend of Y3.5

Sales of data-processing units including computers rose by 17.4 per cent to account for 56.8 per cent of the total, helped by strong sales of general computers and Japanese language word processors. Telecommunication equipment sales were sluggish, rising by only 3.2 per cent to account for 18.8 per cent of the total.

The fastest sales growth was shown in the electronics components division, with an increase of 24.6 per cent to account for 14.4 per cent of the total.

The value of exports advanced

by 37 per cent to account for 16.7 per cent of all sales, thanks to a sharp increase in OEM supplies of computers to Andal of the U.S. and Siemens of West Germany. Last year the company signed a long-term contract with ICL of UK to supply computers and semiconductors on an OEM basis.

OEM supplies to ICL are expected to be reflected in the current year's turnover. Export orders last year jumped by 84.2 per cent from 1980-81, and total orders reached Y749.11bn in the year, up by 21.8 per cent.

Fujitsu has forecast a continued expansion of sales of its major products, such as computers and semiconductors, in the current year helped by OEM supplies.

Operating profits are expected to reach Y58.0m, up by 12 per cent, net profits Y28.0m, up by 27 per cent, and sales Y31.0bn, up by 21 per cent.

Capital investment for the current year is envisaged at Y75.0m, compared with Y61.4bn in 1981-82. Of the total, about 40 per cent is designated for the computer division for such things as the expansion of production capacity for office automation equipment, and 45 per cent is planned for the electronics component division to include the full-scale commercial production of 64 K bit dynamic RAMs.

Research and development expenditure by the company is equivalent to 10 per cent of sales.

Earnings
advance
at Fujitsu
Fanuc

By Our Tokyo Staff

FUJITSU FANUC, Japan's largest manufacturer of numerically controlled (NC) equipment with a 75 per cent share of the domestic market and 50 per cent of the world market, has reported a sound gain in earnings for the year to March.

The company, which is 46.3 per cent owned by Fujitsu, the computer and electronics company, reported an 18.5 per cent rise in unconsolidated pre-tax profits to Y32.1bn (\$13.5m). Net profits were 16.4 per cent higher at Y15.68bn, and sales were Y32.34bn, up by 12.4 per cent. Profits per share advanced to Y301.92, from Y260.15 in the previous year.

Sales of NC systems increased by 11.6 per cent to account for 86.9 per cent of the total. Sales of small NC milling and small machining centres were affected by the economic slowdown in the U.S. and Europe, but their sluggishness was offset by buoyant sales of NC robots. As a result, sales by the NC machine tool and robotics division increased by 18.4 per cent to account for 13 per cent of the total.

Exports were little changed in value and accounted for 41.6 per cent of turnover. In order to enhance robot sales in overseas markets, the company has reached an agreement with General Motors for a joint venture robot manufacturing company in the U.S. to start operating from June and has concluded a licensing agreement with the 600 Group of the UK, similar to an agreement reached with Siemens of West Germany.

Fujitsu Fanuc's production of robots is to be raised to 200 units monthly in the current year from last year's level of 50 units monthly, thanks partly to the tie-up with General Motors, but with continued sluggishness in the U.S. and European machine tool markets, the company's sales are expected to stay at the 1981-82 level. Pre-tax profits are forecast at Y22.47bn, up by 2 per cent and net profits at Y15.75bn, up by 0.6 per cent.

First-half rise at Orient Leasing

BY OUR TOKYO STAFF

ORIENT LEASING, Japan's largest leasing company, lifted unconsolidated pre-tax profits by 37.3 per cent to Y36bn (\$12.6m) in the half year ended March 31 1982, thanks to three international aircraft leasing contracts and an increase in general leasing contracts.

Revenues advanced by 23 per cent to Y57.93bn (\$37.07m) and net profits were Y1.15bn, up by 13.5 per cent. Profits per

share rose to Y26.75 from Y23.62.

New leasing contracts advanced by 70 per cent to Y284bn in the period, helped largely by instalment sales which were 2.3 times higher at Y162bn thanks to yen-based international aircraft leasing contracts.

Interest costs are expected to rise further in the second half and full year pre-tax profits are expected of Y4.45bn, up by 16.3 per cent from the previous year. Net profits are projected at Y2.3bn, up by 11.4 per cent, and revenues at

Y670m from the yen's depreciation against the U.S. dollar were more than offset by the effects from increased revenue.

Interest costs are expected to rise further in the second half and full year pre-tax profits are expected of Y4.45bn, up by 16.3 per cent from the previous year. Net profits are projected at Y2.3bn, up by 11.4 per cent, and revenues at

Y670m from the yen's depreciation against the U.S. dollar were more than offset by the effects from increased revenue.

Honda in Malaysian venture

BY OUR FINANCIAL STAFF

HONDA MOTOR of Japan has agreed with the state-controlled Heavy Industry Corporation of Malaysia (Hicom) to start production of motorcycle engines in a 50/50 joint venture.

Honda will provide up to Y10bn (\$42m) for the projected joint undertaking, which will produce about 10,000 two- and four-stroke engines a month from 1984.

Hicom has also announced that it will start production of two-stroke engines with Yamaha Motor, another Japanese motorcycle manufacturer.

For the year ended December 1981, UE Malaysia reported an operating profit of 6m ringgit (US\$2.6m). But after financing charges of 11.3m ringgit on

manufacture 240,000 units of 30 cc engines a year jointly with Japanese makers.

Japanese companies making motorcycles in Malaysia will be obliged to purchase engines from the joint venture.

• Heavy financing charges, arising from a high level of stocks, have dragged earnings of United Engineers Malaysia, the construction and heavy equipment group, into the red. Wong Suieng writes from Kuala Lumpur.

For the year ended December 1981, UE Malaysia reported an operating profit of 6m ringgit (US\$2.6m). But after financing charges of 11.3m ringgit on

foreign currency transactions, the company had an after-tax loss of 7.5m ringgit, compared with a 2m ringgit profit previously.

The company described the results as "most disappointing" and added that "the single most significant factor" was the financing of high stocks.

Many of its clients had expected a revival in the logging industry and had placed orders for heavy equipment. But the timber revival did not materialise, and clients did not confirm their orders, said the company.

UE Malaysia will not pay a dividend for the year. Last year's payment was 10 per cent

SHARE INDEX RISES 26% IN 11 WEEKS

Hong Kong alive with the sound of rumours

BY ROBERT COTTRELL IN HONG KONG

"OVERBOUGHT" and "oversold" indicators hardly seem adequate for sensing which way the wind blows on the Hong Kong stock markets. The only fundamentals which really excite the market are whether shares are going to go up or down—and on this point the "over-rumoured" and "under-rumoured" indicators must also be taken into account.

The syndicate of seven managing banks is led by the Citicorp and Hong Kong and Shanghai Banking Corporation. The deal is said to be the first short-term Euronote corporate borrowing in Asia.

Mr Li said yesterday that he plans to draw down U.S.\$100m of the facility initially, though with no specific plans for its usage.

The syndicate of seven managing banks is led by the Citicorp and Hong Kong and Shanghai Banking Corporation. The deal is said to be the first short-term Euronote corporate borrowing in Asia.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

Come yesterday morning, and in a half-day's trading, the market broke the 1,400 barrier to close at a three-month high of 1,413.47 after a 30.15-point rise.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a consortium led by Peking-controlled China Resources, and including quoted companies Trafalgar Housing (no relation to Britain's Trafalgar House) and Cheung Kong. The market was, as always, more talkative than the principals—it was even willing to take a bet on optimism on which to deal.

It was also being rumoured that the Government might buy a 53m sq ft (1.9 square miles) site at Deep Bay up in the New Territories from a

Companies and Markets INTL. COMPANIES & FINANCE

The Moeller group, North Sea oil interests apart, operates one of the world's largest privately-owned fleets—over 100 vessels totalling about 6m dwt—under the Maersk flag. It includes tankers, oil rigs, supply and other specialised vessels and main shipping operations.

one of the world's most modern fleets of containerised vessels. Moeller also owns the Odense shipyard in Denmark, has extensive investments in Danish manufacturing industry, and interests in air transport and retailing. The concern is not defined as a group.

The partnership made a profit after depreciation of Dkr 625m (\$80m) in 1981, against Dkr 600m in 1980, while the dividend in the two parent companies was increased from 18 to 20 per cent.

Troubled water on Danish oil

BY HILARY BARNES IN COPENHAGEN

THE A. P. MOELLER group, Denmark's only concern with experience in the exploration and development of offshore oil and gas fields, has come into conflict with the Danish Government over what it sees as a Government attempt to squeeze it out of the Danish offshore sector, so leaving the field exclusively to foreign companies and the state-owned oil and gas company, Dansk Olie og Naturgas (DONG).

The dispute was highlighted this month by Mr Maersk Mc-Kinney Moeller, the third-generation head of the group, at the annual shareholders' meeting of Dampskibsselskabet af 1912, one of the twin parent companies of Moeller's shipping interests.

Moeller is operator in the North Sea for the Danish Underground Consortium (DUC) in which the other partners are Shell, Chevron and Texaco. All have 25 per cent stakes in the consortium, with Moeller holding the licence.

"Regrettably, we are meeting a lot of opposition from the Government and the Energy Ministry," says Mr Moeller, whose group—measured by equity capital of Dkr 5.4bn (\$800m)—is by far the biggest private enterprise in Denmark. "It seems that they are deliberately making things difficult for us and trying by all possible means to press us, as Danes, out of this field of operations."

Moeller was given an exclusive 50-year hydrocarbons concession to the entire Danish onshore and offshore area in 1962, at a time when interest in the North Sea was relatively slight, and when, if Moeller had not taken on the concession, a German concern would have taken it up; for want of other bidders.

By the end of the 1980s, the terms of the concession were under attack from the Left as being too favourable to the company. The attack gained momentum with the first oil shock, when it began to be argued that not only would DUC's profits be too large, but that its exploration programme was desultory.

Finally, in the spring of last

Danish safety regulations to

trated by a poor relationship between Mr Moeller, 69, and Mr Poul Nielson, 39, the Energy Minister, between whom there appears to be a total lack of rapport.

The oil dispute comes on top of recent acrimony between the Government and Moeller involving Moeller last year transferring four oil drilling rigs to foreign flags, following a Government reform of offshore safety legislation. The new law empowered the Government in certain circumstances to apply

programme is to be sorted out by an arbitration tribunal and it is being predicted that it will take about a year for the tribunal to report.

It looks as though the relinquishment programme will also end up going to arbitration and until this dispute is settled the Government cannot offer licences to other companies.

The government's new hydrocarbons tax, which reached the statute book three weeks ago, has also irritated Moeller, which has said by way of its annual report, that the tax adds insult to Danish industry and households.

At odds—the businessman and the Energy Minister



Mr Maersk Mc-Kinney Moeller (left) and Mr Poul Nielson

This Advertisement appears as a matter of record only. These Notes have been sold outside the United States of America.

26th May, 1982

Mobil Exploration and Producing Finance Netherlands B.V.

(Incorporated in The Netherlands)

U.S. \$150,000,000 13½ per cent. Guaranteed Notes due 26th May, 1984

U.S. \$250,000,000 14 per cent. Guaranteed Notes due 26th May, 1985

U.S. \$100,000,000 13½ per cent. Guaranteed Notes due 26th May, 1986

All irrevocably guaranteed as to payment of principal and interest by

Mobil North Sea Limited

(Incorporated in the State of Delaware)

Performance Guaranteed by

Mobil Oil Corporation

(Incorporated in the State of New York)

Issue Price 100 per cent.

Union Bank of Switzerland (Securities) Limited

Deutsche Bank Aktiengesellschaft

Morgan Guaranty Ltd

Salomon Brothers International

Amro International Limited

Banque Nationale de Paris

Chase Manhattan Capital Markets Group

Chemical Bank International Group

CIBC Limited Citicorp International Group Commerzbank Aktiengesellschaft

County Bank Limited Credit Lyonnais First Chicago Limited

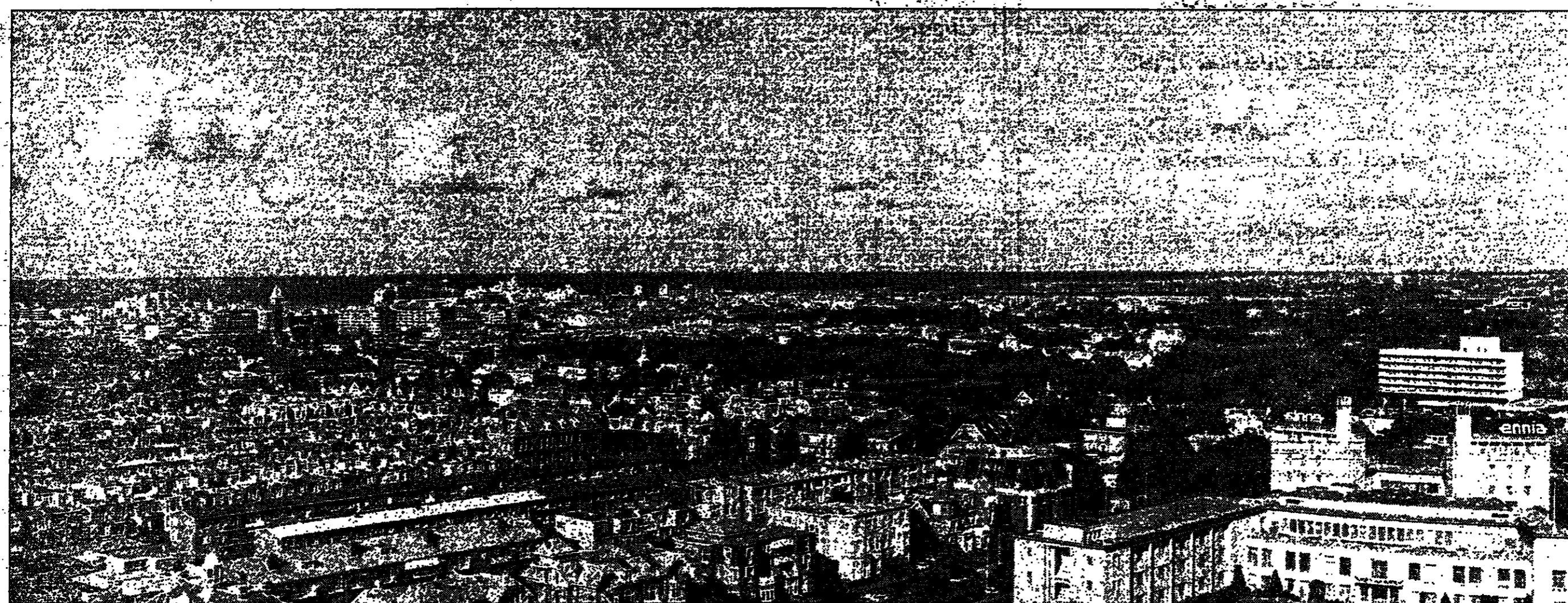
Hambros Bank Limited Kidder, Peabody International Limited

Kuwait Investment Company (S.A.K.) Manufacturers Hanover Limited

Merrill Lynch International & Co. Samuel Montagu & Co. Limited

Orion Royal Bank Limited Smith Barney, Harris Upham & Co. Incorporated

Société Générale Société Générale de Banque S.A. S. G. Warburg & Co. Ltd.



The Hague, centre of Ennia's operations.

Dutch insurance leader maintains growth at home and abroad

One of The Netherlands' largest insurance groups and a leading force in the industry, Ennia operates in life assurance, general insurance and related non-insurance businesses, including mortgages and property development.

The Company has its head offices in The Hague, and branches, subsidiaries and affiliates throughout Europe, in the United States, the Middle East, the Caribbean and South-East Asia. This international spread of operations reflects the Group's strategy of balanced growth in insurance markets worldwide.

Results in 1981

Ennia continued to maintain progress in 1981. Gross receipts increased by nearly 7 per cent, and total profits after tax and after addition to the catastrophe reserve rose by 15 per cent. The number of ordinary shares increased by 5 per cent and the profit per share was up more than 10 per cent.

Life assurance results developed favourably,

though there was a small decrease in general insurance. Non-insurance activities were a little below 1980 levels.

With a final dividend of Dfl. 5.35, total dividend for the year amounts to Dfl. 9.60, an improvement of Dfl. 0.85 over 1980.

Prospects

We expect Group income in 1982 to rise over Dfl. 3 billion.

We are sure that in the current year we shall be able to limit the growth of expenses. Additionally the acquisition of National Old Line Insurance Company of Little Rock, Arkansas, will make a positive contribution to the results.

Although increasing competition in the Dutch insurance market will depress profits of our domestic operating companies, we are confident of realising our objectives with the support of our employees and agents whose efforts have helped us achieve good

results even in difficult economic conditions. We thank them for their contribution to the growth of Ennia in 1981.

Annual Results 1979-1981

	1981	1980	1979
Gross premium life assurance	804.1	785.4	735.4
Gross premium general insurance	884.2	788.3	653.5
Other income	959.5	887.5	755.8
Unconsolidated companies	21.8	41.4	87.0
Gross receipts	2,669.6	2,502.6	2,231.7
Net profit after addition to catastrophe reserve	101.8	88.4	69.7
Figures per ordinary share of Dfl. 20.00	Dfl. 1.01	Dfl. 0.88	Dfl. 0.69
Net profit after addition to catastrophe reserve	30.1	27.22	25.68
Ordinary shareholders' funds	212.76	267.69	265.60
Dividend	9.60	8.75	8.16

ennia nv

Insurance Group

Balanced growth internationally

To: The Company Secretary, Ennia nv, PO Box 202, Churchillplein 1, The Hague, The Netherlands

or Ennia Insurance Company (UK) Ltd, 136 Fenchurch Street, London EC3M 6BL

Please send me a copy of the 1981 Annual Report.

Name _____

Company _____

Address _____

FINANCIAL TIMES SURVEY

Thursday May 27 1982

Jebel Ali

Port is
test case
for Gulf
trade

By Patrick Cockburn

JEBEL ALI port and industrial estate, 35 km south west of Dubai city, are something of a test case for the Gulf. Conceived during the boom years of the mid-1970s the vast port with 66 berths is now complete. Dubai Aluminium is working well and other companies are being encouraged to locate in the industrial zones.

It still remains to be seen, however, whether the ambitions of Dubai to become a manufacturing distribution point for the Gulf will be realised to the full.

Inevitably Jebel Ali, like so much else in the Gulf, has been affected by the Iranian revolution and the Iran-Iraq war. Initially Dubai benefited from the surge in oil prices sparked off by the overthrow of the Shah and the financial future of the Emirate now looks much stronger.

But the Iran-Iraq war has also brought difficulties. The merchants of Dubai have always looked to the 36m population of Iran as their main foreign market. American sanctions increased its potential. Vessels left Port Rashid in Dubai city and Jebel Ali itself piled high with goods for the Iranian port

of Bandar Abbas. Today this trade has collapsed because Iran, short of oil revenues, no longer has the foreign exchange to pay for its imports.

Dubai also acts as a supply centre for Oman, Qatar and parts of Saudi Arabia but to realise its full potential as an entrepot the emirate needs an end to the war. While the conflict continues it is difficult to see the merchant community in Dubai finding new markets large enough to make up for what they have lost.

Once the war does end, however, Jebel Ali should benefit from the increased business which is bound to ensue.

When the port was first conceived by Sheikh Rashid bin Said al Maktoum, the ruler of Dubai, war seemed to be the last danger facing the Gulf. At that time Gulf states were facing the problems of an unprecedented boom without the infrastructure which could handle the surge in imports.

Today almost all Gulf states have good ports with minimal tariffs and it is this which makes it difficult for Jebel Ali to compete.

Nevertheless the port is attracting customers and is marketing its services enthusiastically. Last year an average of almost 100 vessels a month docked in the port. Six container lines have a regular service to Jebel Ali and another three lines may soon join them. The Port Authority particularly emphasises their advantage for lines operating from the Far East.

But greater use of the twin basins of the port must also come from persuading companies to use Jebel Ali as a regional base for the Gulf. This means bringing in new companies and encouraging those already established in Dubai's

Creek to move south along the coast to Jebel Ali. In both areas the Port Authority is now having a fair degree of success and say that they are on target for signing new leases in the industrial zones around the port.

A particularly important area to expand is oil services and fabrication.

All these new industries are, however, dwarfed by Dubai Aluminium (Dubai), which started producing metal in 1979 and is now running at full capacity. This year it should produce 144,000 tonnes of aluminium and this may be expanded by a small margin though without much additional investment.

Key advantage

Clearly Dubai will suffer from the fall in the world price of aluminium over the last year but this is not wholly bad news since Dubai's competitors will be hit even worse. It also has, of course, the key advantage of extremely low energy input costs.

Given the full backing of the Government of Dubai and Sheikh Rashid bin Said al Maktoum, Dubai will be able to wait out the depression in prices and eventually take advantage of reduced capacity in the rest of the world. It will also benefit from the cancellation or postponement of so many of the planned aluminium projects in Australia.

Dubai itself is far more than an aluminium manufacturing plant. In addition to the MW 515 power station Dubai's desalination plant has a capacity of 25m gallons a day and this is being increased. Out of the \$1.4bn which Dubai cost the company says that some \$700m was spent on the power station and the desalination plant.

Dubai's cheap gas comes from

the Dubai Natural Gas Company's \$350m plant which opened in 1980 and produces butane, propane and condensate. The company is searching for new gas supplies to keep the plant running for its projected lifespan. A pipeline to Abu Dhabi is also planned.

The scale of Jebel Ali as a satellite city of Dubai is much smaller than originally planned. At one stage Sheikh Rashid had in mind a whole new city with a projected population of 67,000 people in four years.

In fact the population of the UAE is unlikely to grow at anything like its previous pace because of mounting restrictions on the import of labour. Plans for another airport were also shelved.

The Jebel Ali hotel has been built, however, and is something of a monument to the original high ambitions for developing Jebel Ali, which have now been cut back to more modest, if more realistic, proportions. Most of the rest of the infrastructure of roads, electricity and water is in place.

The recent prolonged illness of Sheikh Rashid, whose brainchild the whole project is, may somewhat reduce the urgency of government backing for the project but most of the important decisions have already been taken and the investments made.

Taken as a whole there is no reason why the Jebel Ali complex should not achieve the more modest aims now projected for it. The number of berths in the port itself is too large and more a measure of Sheikh Rashid's hopes in the middle of the 1970s than what can be achieved now.

As a distribution and fabrication centre for the Gulf as a whole Jebel Ali clearly has its attractions to companies already in the UAE or planning to move there.

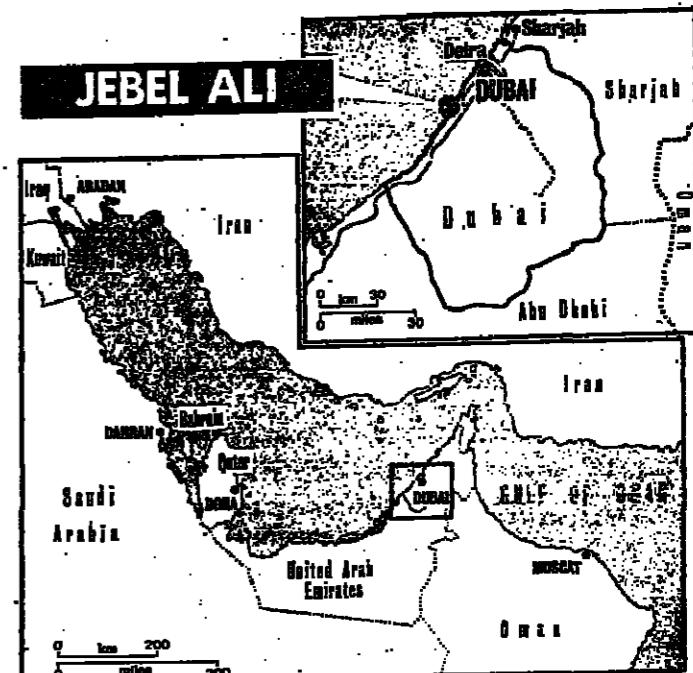
Dubai's new port complex has inevitably been affected by the Iran-Iraq war but it clearly has its attractions for the whole Gulf as a storage, distribution and fabrication centre

CONTENTS

Industrial Zones: development on target	II
Infrastructure: services well-advanced	II
Trade prospects: clouded by Iran-Iraq war	II
Industrial complexes:	III
Dubai Natural Gas	III
Dubai Aluminium Company	III

Editorial production: Arthur Dawson Design: Philip Hunt

Pictures: Terry Kirk



Twin basins have 66 berths

SHAPED LIKE an upside-down F, the port area of Jebel Ali stands out against the blue-green waters of the Gulf. Started in 1976 the twin basins now form the largest port in the Gulf with 66 berths and 15 kilometres of quays. High above the harbour stands the white control room at the top of a concrete stalk.

Although construction of the basins was completed in record time the rest of the port complex inevitably takes longer to bring on stream. The Jebel Ali Port Authority is only beginning to bring in new industries to its industrial zones and persuade companies to relocate all or part of their operations from Dubai's own Creek.

The very size of the port area tends to dwarf the activities which are going on there. Even quite large vessels look small compared to the length of quay-side, but close to 100 ships are now visiting the port every month.

The Iran-Iraq war has clearly reduced the transit trade to the Iranian ports although this still trickles through. Recently 390 red painted small tractors were waiting to be shipped across

the Gulf to Bandar Abbas. In a more macabre incident a thousand tons of cow dung on a small freighter caught fire through spontaneous combustion and took several days to extinguish.

Looked at in the long term, however, the problem is not the Iran-Iraq war but over-capacity of berths on the western side of the Gulf and in the United Arab Emirates in particular. Jebel Ali must compete with Port Rashid at Dubai where 2,284 ships docked last year with 5.6m tons of freight.

More business

There is also substantially increased business through the ports of Ras al Khaimah, Sharjah, and Abu Dhabi itself. Sharjah, with bargain-basement rates, is seen as a particularly significant competitor by the port authority.

Nevertheless six container lines have regular services to Jebel Ali and another three are expected to introduce them. The port management, drawn from Sealand Industries of the U.S., is particularly keen on marketing its facilities in the Far East.

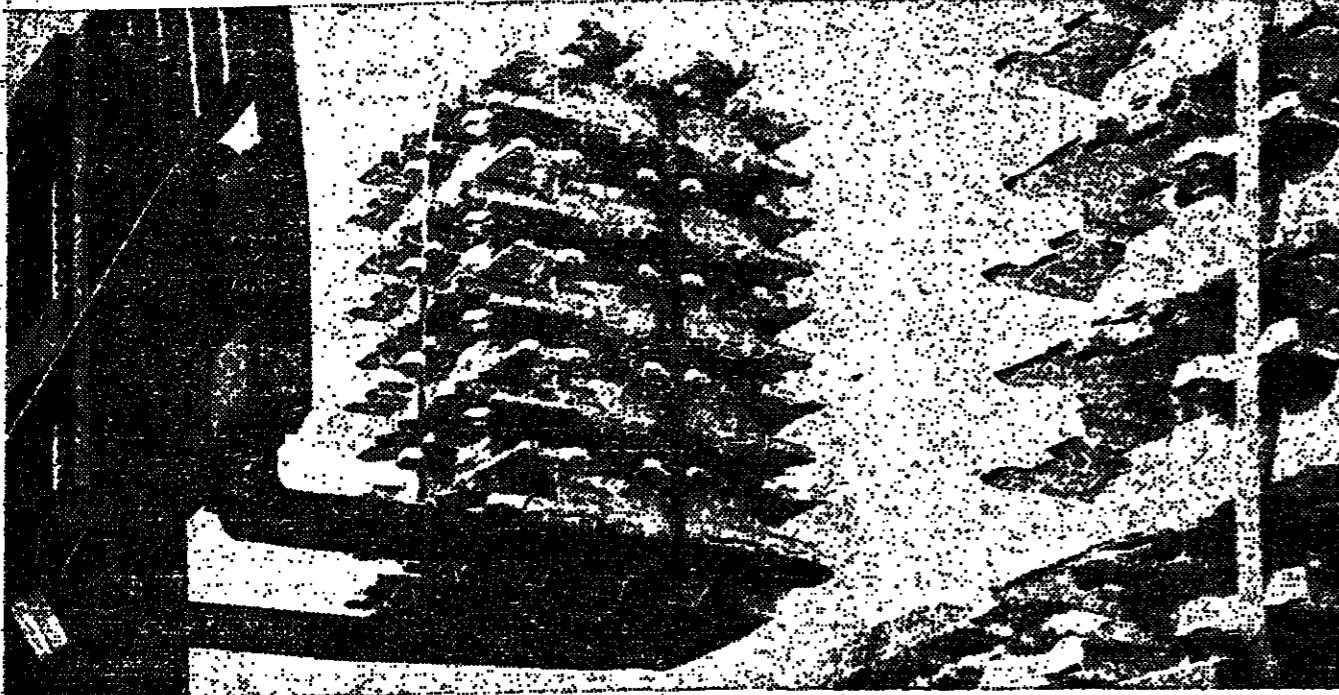
The advantage of Jebel Ali as a free trade zone is limited by the virtual abolition last month of customs duties for goods in transit for the whole of Dubai Emirate including Port Rashid, Mina Zayed at Abu Dhabi is to set up its own free trade zone at the end of this year or in 1983, but this matters little compared to the changes in Dubai which are expected to save the emirate's merchants as much as Dh 240m (£36m) annually.

But in the long term the port Authority believes that Jebel Ali must become a centre for distribution and fabrication in the Gulf. It has excellent storage facilities, more extensive than those available at competing ports. This includes over 50,000 square metres of covered storage. It also has a large container terminal which can hold up to 6,000. In addition the port has its own fleet of 43 trucks and 80 trailers.

It is still early days in the creation of an industrial zone around the port area. Some 18 companies are negotiating with the port authority for industrial plots. Already nine companies

P. C.

Managing Contractors to the Aluminium Industry



British Smelter Constructions Limited, has established itself as one of the worlds premier Managing Contractors in the non-ferrous metals industry.

Our extensive connections within International Money Markets also enables us to assist both governments and industry in all areas of project financing.

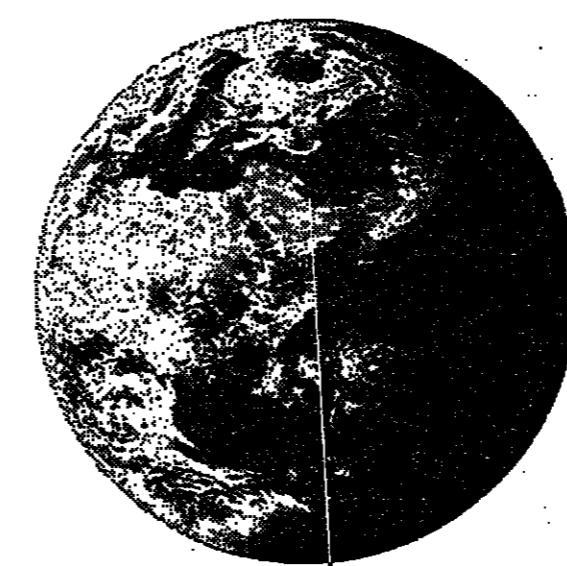
Recent projects have included the primary Aluminium Smelter facilities in both Bahrain and Dubai, and the combined value of projects handled by the company over the last ten years is in excess of 800 million pounds sterling.

British Smelter Constructions Limited,
Flyover House, Great West Road, Brentford, Middlesex, TW8 9AR.
Telephone: 01-568 8877 Telex: 27987 BSCL UK G.



**British
Smelter
Constructions
Limited**

A MEMBER OF THE GEORGE WIGGINS GROUP OF COMPANIES



For us, Abu Dhabi is the centre of the world

The National Bank of Abu Dhabi is a financial institution of growing importance to the world. From our centre we offer all the financial services a businessman needs in Middle East markets, from major long term loans to day by day cash management, together with the advice, contacts and experience needed to be successful.

U.A.E. Head Office:
P.O. Box No. 4, Abu Dhabi,
United Arab Emirates.
Telephone: 335262
Telex: 22266 MASRAF

West End Branch:
2, Albert Gate,
Kingsway, London SW1
Telephone: 2353400
Telex: 896837 NBADWE
City branch:
90, Bishopsgate,
London EC2N 4AS
Telephone: 626 8961
Telex: 881 2085 MASRAF

NATIONAL BANK OF ABU DHABI

Abu Dhabi, Ajman, Al Ain, Alexandria, Bahrain, Dibba, Dubai, Fujairah, Khatum, Khor Fakkan, London, Muscat, Muscat, Paris, Port Said, Port Sudan, Ras Al Khaimah, Sharjah, Tunis, Washington D.C. Abu Dhabi International Bank Inc. (ADIB) a wholly-owned subsidiary.

JEBEL ALI II

Louise Broby reports on progress in the industrial zones

Development is on target

AS AN INDUSTRIAL port Mina Jebel Ali has been built to serve the plants and facilities located around it. The aim is to get private industry to move in rather than in Dubai city itself and also to get firms to move from the Creek to Jebel Ali.

The port complex itself is divided into three basic areas: the seaport, an inner and an outer industrial zone. These zones are divided into plots of various sizes for industrial development.

Although construction work on the port itself is now complete, development of the industrial zones is only starting. Heavy industries, such as Dubai and Dugas, are located away from the port along the sea-shore towards Dubai.

Oil-related industries will be on the western side of the port with light manufacturing and distribution located opposite. Leasing plots in the outer industrial zone will not start until 75 per cent of the inner industrial zone is let.

Much of the development of the Jebel Ali inner industrial zone until now has been government-sponsored, but private-sector industry is slowly beginning to realise the advantages of being located in Jebel Ali, and the port authority is negotiating with some 25 companies of whom 15 have signed leases.

Cleveland Bridge and Engineering Middle East (PVT) Ltd. was the first major company to realise the potential of building a factory in Jebel Ali, and chose a site even before the industrial zoning had been completed. As a result, they now find themselves located in the outer industrial zone.

Cleveland Bridge specialises in the fabrication of steel structures from imported steel, and the port provides an ideal location for the exporting of the finished steel structures worldwide. Their factory in Jebel Ali is also well placed for transport of their finished products by road to other Emirates and to neighbouring states.

The steelwork fabrication plant was opened in 1978, only 300 metres from the quayside of the new Jebel Ali port. In the late seventies, all of the company's contracts were in the UAE, but it has now established itself as an exporter throughout the Middle East. Its



Warehouses in the industrial complex at Jebel Ali. Below: raw aluminium being unloaded in one of the 66 berths in the port

highly automated plant produces some 16,000 tons of fabricated steel per annum, and exports to Iraq, Egypt, Bahrain, Oman, Saudi Arabia and Qatar.

Cleveland Bridge is a joint-venture company between the UAE-based A. W. Galadari Holdings (PVT) Ltd. and the Cleveland Bridge Engineering Company, Ltd. of Darlington.

The Creek

Another company, Gulf Fleet Middle East, whose parent company is the Houston Natural Gas Company, will be moving to Jebel Ali shortly.

The company was originally located on a Creek plot, but was directed to move to Jebel Ali as part of the Government's efforts to clear the Creek of industrial developments.

Their new building at Jebel Ali will be the base for the operation of supply vessels, tugs, barges, and crewboats for the offshore oil and construction industry, and for diving and survey purposes.

The building which has just had its roof put on is situated next to the quayside. The company said this new location was ideal. It operates a total of 20 vessels in the Gulf.

Dubai Petroleum Company has a small warehouse at Jebel Ali on a temporary lease. A permanent lease is being negotiated. A leasing agreement with Active General Trading Company has just been signed. The company plans to use its site for a central storage and distribution centre for its products, drilling pipes and machinery for desert irrigation. The centre will be used as a transhipment point mainly for goods to Iran. A warehouse is already under construction.

Also located in Jebel Ali is an extrusion plant for the treatment of aluminium. Aluminium is obtained from the nearby Dubai in the form of billets which are put through the extruder to make them into sections. The plant produces 4,000 tons of sections a year, mainly for windows and doors. The plant also has a gold and silver anodising facility.

Mr Charles S. Heath, Jebel Ali Port Authority's director of marketing, said development of the industrial zones was going according to plan. "Right now we are achieving our target," he said. "At the end of 1982 we will be ahead of our planned development."

Prospects for the cement industry in the UAE are somewhat bleak, and the National Cement Company is therefore studying the possibilities for exporting cement. Mr M. Nizar Sibai, executive director of the Alghurair group of companies and general manager of the National Cement Company, says that the company was planning to establish facilities at Mina Jebel Ali such as silos, packaging machinery and a grinding plant. The company is looking for some form of government assistance before deciding whether to go ahead with this project.

Mr Sibai estimated that the existing cement plants, together with new plants under construction or contracted for would produce some 10m tons a year once they were all on stream. This is almost 10 tons per capita, compared with a country like Japan which produces 800 kilos per head of population. "The Government should give due consideration to assisting the cement industry in the UAE," said Mr Sibai. "At present, uncontrolled activities will lead to an installed capacity far in excess of the needs of the UAE. The damage will affect not only free enterprise, but also the national economy." Another company plans to import cement and market it from a floating vessel in Jebel Ali. There will also be an onshore silo facility.

The A. W. Galadari group of companies has announced that they are planning to put up a factory to make disposable medical syringes and hypodermic needles. A petro refinery has also been planned for Jebel Ali on the 30 hectares of reclaimed land at the mouth of the harbour. The land was reclaimed by making a lagoon and filling it up with the silt dredged from the inner harbour during its construction. The petro refinery has had seven confidential reports written about it, all commissioned by the Government, but so far, the plans have come to nothing.

Mr Charles S. Heath, Jebel Ali Port Authority's director of marketing, said development of the industrial zones was going according to plan. "Right now we are achieving our target," he said. "At the end of 1982 we will be ahead of our planned development."

Back-up facilities come into use

THE PROVISION of infrastructural facilities in Jebel Ali such as roads, water and electricity supplies, residual gas for industrial use, telephone, telex, fire-fighting and security services have preceded the overall development of the industrial zones and free trade area.

This approach augurs well for the future. Jebel Ali is likely to end up as much more than a hotel-pot of industries thrown together around a maze of access roads with no proper support facilities.

The road linking Dubai and Abu Dhabi, which passes through Jebel Ali, was built in 1974. It was originally a single lane carriageway, but due to the many accidents, another lane was built as soon as the single lane highway had been completed. From this humble beginning in 1976, construction began on one of the largest industrial ports in the world. The port itself was completed in 1979.

A plan for a new town at Jebel Ali to accommodate the people associated with the port was commissioned in 1976. The plan was based on a conceptual framework for future development and laid down the guidelines for the infrastructure requirements in the area. The plan envisaged a town with a final target population of between 373,000 and 758,000, and with 67,000 people in four years time, the plan was felt to be somewhat ambitious considering there are only one million people in the seven emirates altogether, and is now in abeyance.

Road network

Infrastructural development is far advanced. With the port completed, security and fire fighting services are already fully operational. The network of roads in the inner industrial zone has been completed. Water and electricity pipes and cables crisscross the inner zone, and water and electricity can be connected to individual plots as the demand arises. Telephones and telex are also available to tenants in the inner zone.

Electricity is being supplied by the Dubai Electricity Department from the nearby power station to the port area. It is being administered through a system of five 33-kilovolt stations located around the port areas from where it is fed into numerous 11-kilovolt sub-stations. From the sub-stations, it is distributed to the various industrial sites and port locations. One main station has already been built in the outer industrial zone, and the sub-station can be extended into the outer zones at short notice. It takes a little time to connect up individual sites due to the need for laying additional cables, but services can be provided at one or two months' notice in some cases, depending on location.

If a site is far removed from the nearest sub-station, electrification takes a little longer. But once the port authority leases out a site, it usually takes the lessee some 12 months to develop it, by which time services from the nearest distribution point will have reached the site.

Water is supplied by the Dubai water department and comes mainly from the Dubai desalination plant. The water supply network to the Jebel Ali complex has been laid around the port and in the inner industrial zone. The main supply pipes run on the boundaries of the west wharf and the quay six to the north east.

The complex has also been supplied with a road network extending to all the inner zone sites. The existing highway road between Dubai and Abu Dhabi which was built to Dubai carriage standards, runs right past the southern corner of the port. Some years ago, Sheikh Rashid bin Said al Maktoum, the ruler of Dubai, decided to divert the section of the highway which cuts through the complex. One morning, he walked along the existing highway and indicated the location of the new road by pointing to a hut in one direction and to the now defunct Dubai/Abu Dhabi border 13 kms away in the opposite direction.

The ruler then gave instructions to commence work on the highway diversion straight away. Only 48 hours later, work started. The new bypass is 3km inland and skirts the perimeter of the free trade zone. A 12km section was opened to traffic by Sheikh Rashid this month. The remaining section is due to open in July or August. Plans for a new airport in the area to serve the port have been shelved for the time being.

L. B.



The control room of the Harbour Authority. Below: Captain George Biro, the Harbour Master of the Port Authority of Jebel Ali



Trade expansion hit by Iran-Iraq war

HOPES FOR the rapid expansion

of Dubai's trade with Iran have been hit hard over the past year. Oil revenues no longer provide the market expand rapidly for more than a decade. The big-hotels, the grand offices and the Trade Centre are monuments to this.

But an entrepot needs expanding markets at home or abroad and it is not clear where these will be found in future. "If the Iranians can do their forward planning successfully there is no reason for them to use Dubai," said one substantial businessman pessimistically.

The Emiratis themselves are a rich market and even with falling oil prices Dubai exported 360,000 barrels a day of crude last year, which is more than Oman.

They are also a grossly oversupplied market. In the souks, prices are low not merely because of Iran but because competition is so intense. Dubai has built all its infrastructure and there are few building contracts in the offing.

Big local merchants are finding it difficult to expand. As a consequence of all this is laws which are now going into effect to limit the role of foreign companies, banks and businessmen who are not UAE nationals. The latter is particularly important because so many of the medium-sized merchants in Dubai are of Indian and Pakistani nationality.

The most important new law concerns agencies for foreign companies. These will in future be limited to companies wholly owned by nationals. Under other laws foreign banks will have to cut back to eight branches and insurance companies must be 100 per cent owned by local citizens.

Local businessmen in Dubai were initially opposed to such laws, which originated in Abu Dhabi. But as they witness

the decline in Iran's oil revenues this trade has largely come to an end. In the last six months of 1981 re-exports to Iran were down by 46 per cent compared to 1980.

The impact of this is obvious in Dubai. Some goods like tyres and clothing are on sale for knockdown prices in the souks (markets) and merchants have gone as far as Uganda in search of new markets.

But with the ending of the embargo and the decline in Iran's oil revenues this trade has largely come to an end. In the last six months of 1981 re-exports to Iran were down by 46 per cent compared to 1980.

The impact of this is obvious in Dubai. Some goods like tyres and clothing are on sale for knockdown prices in the souks (markets) and merchants have gone as far as Uganda in search of new markets.

This is all bound to have an impact on the opportunities open to Jebel Ali port as a centre for re-exports. It is also depressing the general level of business confidence in Dubai. Not everybody has been hit equally. Some firms, for instance, have found new markets for construction equipment in Iraq. The problem is that none of Dubai's neighbours has the absorptive capacity of Iran.

Many local businessmen see major opportunities opening up when the Iran-Iraq war ends, which shows no signs of doing at the time of writing. The Iranian Government is already cutting its oil price in an effort to bring in more oil revenues. But there must be doubts about the good this will do to Dubai.

The Iranians say they want to buy more goods from the country of origin rather than through middlemen. They also want to cut down on the proportion of consumer goods entering the country.

Tehran is aware that one of the reasons that it faces its present problems is that it failed to get control of imports last year and they are determined not to let this happen again.

The disruption of the Iranian trade is also important because

mainly as a result of the Iranian revolution. The recent conspiracy in Bahrain is likely to lead to it being more difficult to get into the Emirates.

Although the authorities appear to have been initially trying to restrict entry of Arabs and Iranians, who might be a political threat, it is the Europeans and south Asians who have been hit most. Some local businessmen complain that this will hit business since the best customers would fly into Dubai in order to buy consumer goods cheap before leaving for India or Pakistan.

The problem

It is possible to paint too dire a picture of the prospects for Dubai's economy and its ports. The Emirate and its neighbours remain immensely rich. Dubai is also in a good position to act as a trading centre for its neighbours in Oman, Qatar and Saudi Arabia.

The problem is that, despite the talk of economic integration by the Gulf Co-operation Council, local economic interests are so strong that economic unity is likely to be largely rhetorical. For the moment, for instance, it appears that the new agency law will exclude agents from Bahrain and Kuwait.

An end to the war between Iran and Iraq will certainly benefit Dubai and thus Jebel Ali. The flow of re-exports to Iran would increase rapidly but not to the degree which has sometimes been hoped for by some local companies.

Vessels are still stopping at Jebel Ali with goods which will eventually go to Iran. This includes one with 1,000 tons of cow dung for fertiliser which recently caught fire through spontaneous combustion in the port.

But the new laws throwing more business to locally-owned companies will undoubtedly reduce Dubai's status as a free and easy entrepot, more welcoming than any of its neighbours. It will also curtail Dubai's capacity to become the trade centre for many of its neighbours. In future Dubai will become more like Abu Dhabi.

Patrick Cockburn

COSTAIN

PROCESS

COSTAIN PROCESS ENGINEERING & CONSTRUCTION LIMITED, through its involvement in the construction of the Aluminium Smelter and the Natural Gas Plant, is pleased to be associated with the development of Mina Jebel Ali.

Recognition and confidence in this free trade and industrial zone is further displayed by the decision to relocate its activities in this area.

COSTAIN PROCESS ENGINEERING & CONSTRUCTION LIMITED

P.O. Box 12118

Dubai

UAE

Telephone: Dubai 421200

or Jebel Ali 56713

Telex: 46953 CPEDB EM

GULF-COBRA
takes pride in being involved in the formation of Mina Jebel Ali Harbour

His Excellency
Sheikh Rashid bin Said Al Maktoum
Ruler of Dubai

GULF-COBRA (PRIVATE) LIMITED
P.O. Box 2526
DUBAI-UAE

INCORPORATED AS A PRIVATE LIMITED LIABILITY COMPANY BY DECREE OF HIS MAJESTY THE RULER OF DUBAI

ج.م.ع. كبرى (الإمارات) المحدودة

Joe in 100

Companies and Markets

WORLD STOCK MARKETS

NEW YORK

Stock	May 25	May 24	Stock	May 25	May 24	Stock	May 25	May 24	Stock	May 25	May 24	Stock	May 25	May 24
ACF Industries	501	501	Columbia Gas	325	325	Co. At. Pen. Tea.	612	612	Schultz Brew.	183	181			
AMF	172	172	Columbus Rick.	597	597	Siemens	204	204	Schlumberger	461	47			
AM Int'l.	114	114	Combined Int.	211	211	Siemens	204	204	Siemens	18	18			
ARA	271	271	Combust. Eng.	273	273	Siemens	211	211	Siemens	237	244			
ASA	251	251	Comm. Satellites	693	693	Siemens	212	212	Siemens	211	211			
AT&T Corp.	222	222	Cont. Science	12	12	Siemens	213	213	Siemens	212	212			
Acme Cleve.	207	207	Gulf Oil	35	324	Siemens	214	214	Siemens	213	213			
Adobe Oil & Gas	201	201	Hall (F&S)	27	268	Siemens	215	215	Siemens	214	214			
Advanced Micro	241	241	Halliburton	223	215	Siemens	216	216	Siemens	215	215			
Activa Life & Gas	351	351	Hammillen Ppr.	248	248	Siemens	217	217	Siemens	216	216			
Alphonson & F.	191	191	Hanover Corp.	134	134	Siemens	218	218	Siemens	217	217			
Altronics & C.	271	271	Hazard Min.	31	31	Siemens	219	219	Siemens	218	218			
Akzona	91	91	Harcourt Brace	134	134	Siemens	220	220	Siemens	219	219			
Albany Int'l.	211	211	Harris Bancp.	273	271	Siemens	221	221	Siemens	219	219			
Alberto-Culv.	121	121	Harris Corp.	267	262	Siemens	222	222	Siemens	219	219			
Albertsons	211	211	Harsco	181	181	Siemens	223	223	Siemens	219	219			
Alco Standard	211	211	Hart Mining	81	81	Siemens	224	224	Siemens	219	219			
Alexander & Al.	261	261	Heinz H&J	314	314	Siemens	225	225	Siemens	219	219			
Allegheny Int'l.	271	271	Heller Int'l.	184	185	Siemens	226	226	Siemens	219	219			
Allied Corp.	241	241	Hercules	403	418	Siemens	227	227	Siemens	219	219			
Allied Chem.	151	151	Hewlett Pack.	441	454	Siemens	228	228	Siemens	219	219			
Alpha Portd.	101	101	Hilton Hotels	373	384	Siemens	229	229	Siemens	219	219			
Alcoa	24	24	Holiday Inn	255	257	Siemens	230	230	Siemens	219	219			
Almond Sugar	251	251	Holy Sugar	471	481	Siemens	231	231	Siemens	219	219			
Amidah Corp.	211	211	Homestake	223	223	Siemens	232	232	Siemens	219	219			
Amerada Hess.	211	211	Honeywall	694	711	Siemens	233	233	Siemens	219	219			
Am. Airlines	121	121	Hoover	100	100	Siemens	234	234	Siemens	219	219			
Am. Broadcasts	561	561	Hormel Geo.	204	204	Siemens	235	235	Siemens	219	219			
Am. Can.	271	271	Household Corp.	51	50	Siemens	236	236	Siemens	219	219			
Am. Cyanamid	251	251	Hughes Tool.	866	866	Siemens	237	237	Siemens	219	219			
Am. Elect. Powr.	461	461	Hughes Tool.	842	844	Siemens	238	238	Siemens	219	219			
Am. Gen. Insur.	14	14	Humana	265	265	Siemens	239	239	Siemens	219	219			
Am. Home Prod.	14	14	Hunter	200	200	Siemens	240	240	Siemens	219	219			
Am. Int'l. Corp.	211	211	Husky Oil	52	55	Siemens	241	241	Siemens	219	219			
Am. Nat. Resour.	51	51	Hyatt	217	217	Siemens	242	242	Siemens	219	219			
Am. Quarz Pet.	171	171	IBM	617	621	Siemens	243	243	Siemens	219	219			
Am. Standard	341	341	Imperial Ind'l.	244	244	Siemens	244	244	Siemens	219	219			
Am. Stores	401	401	Inter Firs Corp.	213	213	Siemens	245	245	Siemens	219	219			
Am. Tel. & Tel.	521	521	Interlake	213	213	Siemens	246	246	Siemens	219	219			
Amtek Inc.	271	271	Int'l. Harvester	201	201	Siemens	247	247	Siemens	219	219			
Amfac	201	201	Int'l. Harvester	201	201	Siemens	248	248	Siemens	219	219			
Amwest Int'l.	221	221	Int'l. Harvester	201	201	Siemens	249	249	Siemens	219	219			
Amwest Indus.	221	221	Int'l. Harvester	201	201	Siemens	250	250	Siemens	219	219			
Anchored Holdings	471	471	Int'l. Harvester	201	201	Siemens	251	251	Siemens	219	219			
Archers Daniels	171	171	Int'l. Harvester	201	201	Siemens	252	252	Siemens	219	219			
Arco	211	211	Int'l. Harvester	201	201	Siemens	253	253	Siemens	219	219			
Asad. Goods	311	311	Int'l. Harvester	201	201	Siemens	254	254	Siemens	219	219			
Auto Data Prog.	251	251	Int'l. Harvester	201	201	Siemens	255	255	Siemens	219	219			
Avco	251	251	Int'l. Harvester	201	201	Siemens	256	256	Siemens	219	219			
Avery Ind'l.	241	241	Int'l. Harvester	201	201	Siemens	257	257	Siemens	219	219			
Armstrong CK...	181	181	Int'l. Harvester	201	201	Siemens	258	258	Siemens	219	219			
Armstrong Corp.	181	181	Int'l. Harvester	201	201	Siemens	259	259	Siemens	219	219			
Asrcor	211	211	Int'l. Harvester	201	201	Siemens	260	260	Siemens	219	219			
Ashland Oil	211	211	Int'l. Harvester	201	201	Siemens	261	261	Siemens	219	219			
Aszd. Goods	311	311	Int'l. Harvester	201	201	Siemens	262	262	Siemens	219	219			
Auto Data Prog.	251	251	Int'l. Harvester	201	201	Siemens	263	263	Siemens	219	219			
Away Ind'l.	241	241	Int'l. Harvester	201	201	Siemens	264	264	Siemens	219	219			
Beth Steel	19	19	Irving Bank	187	191	Siemens	265	265	Siemens	219	219			
Big Three Inds.	211	211	Irving Bank	187	191	Siemens	266	266	Siemens	219	219			
Black & Decker	121	121	Irving Bank	187	191	Siemens	267	267	Siemens	219	219			
Black & Decker	121	121	Irving Bank	187	191	Siemens	268	268	Siemens	219	219			
Black & Decker	121	121	Irving Bank	187	191	Siemens	269	269	Siemens	219	219			
Black & Decker	121	121	Irving Bank	187	191	Siemens	270	270	Siemens	219	219			
Black & Decker	121	121	Irving Bank	187	191	Siemens	271	271	Siemens	219	219			
Black & Decker	121	121	Irving Bank	1										

CURRENCIES and MONEY

Sterling recovers

Sterling recovered from levels seen earlier in the day after some help from the Bank of England, while the market showed continued concern over the situation on and around the Falkland Islands.

The dollar was mostly firmer, despite a softer trend in Euro-dollar rates. There was no easily identified reason behind the dollar's rise, although end-of-month considerations may have played some part in its firmer trend.

STERLING — Trade-weighted index 89.7 against 89.6 at noon, 89.8 at the opening and 89.6 on Tuesday. Three-month interbank 13.5 per cent (14.7 per cent six months ago). Annual inflation 9.5 per cent (8.4 per cent previous month) — The Belgian National Bank spent the equivalent of BFr 3.8bn supporting the Belgian franc in last week's foreign exchange market according to figures released yesterday. This is down from BFr 7.8bn for the year to date. It rose against the D-Mark to DM 1.80 and to DM 1.775 from FF 1.80. It fell to DM 1.76 before recovering to trade around DM 1.80 after help from the Bank of England. It closed at DM 1.8000-1.8010, a fall of 45 points. It rose against the D-Mark to DM 1.81 from DM 1.775 and FF 1.8052 from FF 1.8050. It was unchanged against the Swiss franc at SwFr 3.5425.

DOLLAR — Trade-weighted index 113.4 against 113.3 on Tuesday and 105.6 six months ago. Three-month Treasury bills 11.5 per cent (10.05 per cent six months ago). Annual inflation 6.6 per cent (6.8 per cent previous month) — The dollar closed at DM 2.3260 from DM 2.3135 and SwFr 1.3660 from SwFr 1.3625. It was also firmer against the yen at Y240.10, up from Y240.10, its best level for a month.

D-MARK — EMS member (strongest). Trade weighted index unchanged at 125.2 and 122.5 six months ago. Three-month interbank 9.15 per cent (10.80 per cent six months ago). Annual inflation 5.0 per cent (5.2 per cent previous month) — The D-mark was slightly weaker in currency markets yesterday. The dollar rose to DM 2.3133 from SwFr 32.765.

THE POUND SPOT AND FORWARD

May 25	Day's opened	Closed	One month	% months	%	Three months	% months	%	Three months	% months	%
U.S.	7.7880-1.8170	7.8000-1.8070	0.12-0.225 dis	-1.13	-0.50-0.60dis	-1.22	-0.50-0.60dis	-1.22	-0.50-0.60dis	-1.22	-0.50-0.60dis
Canada	1.2360-1.2530	1.2360-1.2520	21-25c dis	-2.70	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis
Netherlands	4.62-4.68	4.65-4.66	24-25c dis	-2.70	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis
Belgium	78.38-78.70	78.85-78.95	15-25c dis	-3.04	-0.50-0.60dis	-3.04	-0.50-0.60dis	-3.04	-0.50-0.60dis	-3.04	-0.50-0.60dis
Denmark	14.15-14.22	14.20-14.21	6-7c dis	-5.31	-1.50-1.60dis	-5.36	-1.50-1.60dis	-5.36	-1.50-1.60dis	-5.36	-1.50-1.60dis
Ireland	1.2005-1.2008	1.2005-1.2005	0.85-0.75p dis	-7.01	1.50-2.00dis	-6.41	1.50-2.00dis	-6.41	1.50-2.00dis	-6.41	1.50-2.00dis
W. Ger.	4.15-4.20	4.18-4.19	2-11p dis	-5.01	1.50-4.00	4.65	1.50-4.00	4.65	1.50-4.00	4.65	1.50-4.00
Portugal	128.75-128.90	127.00-127.10	100-300c dis	-22.03	200-250 dis	-20.35	200-250 dis	-20.35	200-250 dis	-20.35	200-250 dis
Spain	10.20-10.25	10.25-10.27	2-7c dis	-1.43	1.50-1.60dis	-1.67	1.50-1.60dis	-1.67	1.50-1.60dis	-1.67	1.50-1.60dis
Norway	10.75-10.82	10.75-10.78	3-4c dis	-4.31	7-8c dis	-2.95	7-8c dis	-2.95	7-8c dis	-2.95	7-8c dis
France	10.80-10.87	10.85-10.85	16-17c dis	-17.67	34-35 dis	-13.44	34-35 dis	-13.44	34-35 dis	-13.44	34-35 dis
Sweden	10.44-10.52	10.51-10.52	4-9p dis	0.07	1.50-1.60	-0.05	1.50-1.60	-0.05	1.50-1.60	-0.05	1.50-1.60
Japan	429-435	432-433	2-25p dis	6.52	6.75-6.50pm	6.15	6.75-6.50pm	6.15	6.75-6.50pm	6.15	6.75-6.50pm
Austria	25.25-25.45	25.40-25.45	14-11p dis	5.36	36-31 pm	4.95	36-31 pm	4.95	36-31 pm	4.95	36-31 pm
Switz.	3.52-3.56	3.53-3.54	3-2c dis	10.88	82-87 pm	9.17	82-87 pm	9.17	82-87 pm	9.17	82-87 pm

Belgian franc is for convertible francs. Financial franc 85.65-85.75. Six-month forward 103.10-113.10 dis. 12-month 103.10-113.10 dis.

THE DOLLAR SPOT AND FORWARD

May 25	Day's opened	Closed	One month	% months	%	Three months	% months	%	Three months	% months	%
U.K.	1.7880-1.8170	1.8000-1.8070	0.12-0.225 dis	-1.13	-0.50-0.60dis	-1.22	-0.50-0.60dis	-1.22	-0.50-0.60dis	-1.22	-0.50-0.60dis
Canada	1.2360-1.2530	1.2360-1.2520	21-25c dis	-2.70	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis
Netherlands	4.62-4.68	4.65-4.66	24-25c dis	-2.70	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis	-2.5	-1.50-1.40dis
Belgium	78.38-78.70	78.85-78.95	15-25c dis	-3.04	-0.50-0.60dis	-3.04	-0.50-0.60dis	-3.04	-0.50-0.60dis	-3.04	-0.50-0.60dis
Denmark	14.15-14.22	14.20-14.21	6-7c dis	-5.31	-1.50-1.60dis	-5.36	-1.50-1.60dis	-5.36	-1.50-1.60dis	-5.36	-1.50-1.60dis
Ireland	1.2005-1.2008	1.2005-1.2005	0.85-0.75p dis	-7.01	1.50-2.00dis	-6.41	1.50-2.00dis	-6.41	1.50-2.00dis	-6.41	1.50-2.00dis
W. Ger.	4.15-4.20	4.18-4.19	2-11p dis	5.01	1.50-4.00	4.65	1.50-4.00	4.65	1.50-4.00	4.65	1.50-4.00
Portugal	128.75-128.90	127.00-127.10	100-300c dis	-22.03	200-250 dis	-20.35	200-250 dis	-20.35	200-250 dis	-20.35	200-250 dis
Spain	10.20-10.25	10.25-10.27	2-7c dis	-1.43	1.50-1.60dis	-1.67	1.50-1.60dis	-1.67	1.50-1.60dis	-1.67	1.50-1.60dis
Norway	10.75-10.82	10.75-10.78	3-4c dis	-4.31	7-8c dis	-2.95	7-8c dis	-2.95	7-8c dis	-2.95	7-8c dis
France	10.80-10.87	10.85-10.85	16-17c dis	-17.67	34-35 dis	-13.44	34-35 dis	-13.44	34-35 dis	-13.44	34-35 dis
Sweden	10.44-10.52	10.51-10.52	4-9p dis	0.07	1.50-1.60	-0.05	1.50-1.60	-0.05	1.50-1.60	-0.05	1.50-1.60
Japan	429-435	432-433	2-25p dis	6.52	6.75-6.50pm	6.15	6.75-6.50pm	6.15	6.75-6.50pm	6.15	6.75-6.50pm
Austria	25.25-25.45	25.40-25.45	14-11p dis	5.36	36-31 pm	4.95	36-31 pm	4.95	36-31 pm	4.95	36-31 pm
Switz.	3.52-3.56	3.53-3.54	3-2c dis	10.88	82-87 pm	9.17	82-87 pm	9.17	82-87 pm	9.17	82-87 pm

* UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

May 26	Bank of England Index	Morgan Guaranty Changes	European Currency Rates
Sterling	88.7	-33.5	
U.S. dollar	115.4	-4.7	
Canadian dollar	115.4	-4.7	
Austrian schilling	118.8	+6.8	
Belgian franc	95.8	-1.3	
Denmark krone	84.9	-1.2	
Swiss franc	117.0	+1.2	
Dutch guilder	117.3	+1.2	
Swiss franc	115.5	+1.1	
French franc	80.8	-14.4	
Irish punt	86.6	+1.0	
Italian lira	130.13	+1.2	

Based on trade weighted changes from Morgan Guaranty, December 1971.

Bank of England Index (base average 1976=100).

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by financial Times.

CURRENCY RATES

May 26	Bank of England	Special Drawing Rights	European Currency Rates
Sterling	88.7	-33.5	
U.S. dollar	115.4	-4.7	
Canadian dollar	115.4	-4.7	
Austrian schilling	118.8	+6.8	
Belgian franc	95.8	-1.3	
Denmark krone	84.9	-1.2	
Swiss franc	117.0		

INSURANCES

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

Espley-Tyss

FOR PROPERTY & CONSTRUCTION

We cover the country
London - Leeds - Birmingham
021-454 9881

FT SHARE INFORMATION SERVICE

LOANS—Continued

BRITISH FUNDS

High Ltr	Price	Yield
"Shorts" (Lives up to Five Years)		
991	100	9.20
992	100	11.73
993	100	9.08
994	100	11.49
995	100	9.24
996	100	12.20
997	100	9.57
998	100	12.12
999	100	9.74
1000	100	12.20
1001	100	9.74
1002	100	12.20
1003	100	9.74
1004	100	12.20
1005	100	9.74
1006	100	12.20
1007	100	9.74
1008	100	12.20
1009	100	9.74
1010	100	12.20
1011	100	9.74
1012	100	12.20
1013	100	9.74
1014	100	12.20
1015	100	9.74
1016	100	12.20
1017	100	9.74
1018	100	12.20
1019	100	9.74
1020	100	12.20
1021	100	9.74
1022	100	12.20
1023	100	9.74
1024	100	12.20
1025	100	9.74
1026	100	12.20
1027	100	9.74
1028	100	12.20
1029	100	9.74
1030	100	12.20
1031	100	9.74
1032	100	12.20
1033	100	9.74
1034	100	12.20
1035	100	9.74
1036	100	12.20
1037	100	9.74
1038	100	12.20
1039	100	9.74
1040	100	12.20
1041	100	9.74
1042	100	12.20
1043	100	9.74
1044	100	12.20
1045	100	9.74
1046	100	12.20
1047	100	9.74
1048	100	12.20
1049	100	9.74
1050	100	12.20
1051	100	9.74
1052	100	12.20
1053	100	9.74
1054	100	12.20
1055	100	9.74
1056	100	12.20
1057	100	9.74
1058	100	12.20
1059	100	9.74
1060	100	12.20
1061	100	9.74
1062	100	12.20
1063	100	9.74
1064	100	12.20
1065	100	9.74
1066	100	12.20
1067	100	9.74
1068	100	12.20
1069	100	9.74
1070	100	12.20
1071	100	9.74
1072	100	12.20
1073	100	9.74
1074	100	12.20
1075	100	9.74
1076	100	12.20
1077	100	9.74
1078	100	12.20
1079	100	9.74
1080	100	12.20
1081	100	9.74
1082	100	12.20
1083	100	9.74
1084	100	12.20
1085	100	9.74
1086	100	12.20
1087	100	9.74
1088	100	12.20
1089	100	9.74
1090	100	12.20
1091	100	9.74
1092	100	12.20
1093	100	9.74
1094	100	12.20
1095	100	9.74
1096	100	12.20
1097	100	9.74
1098	100	12.20
1099	100	9.74
1100	100	12.20
1101	100	9.74
1102	100	12.20
1103	100	9.74
1104	100	12.20
1105	100	9.74
1106	100	12.20
1107	100	9.74
1108	100	12.20
1109	100	9.74
1110	100	12.20
1111	100	9.74
1112	100	12.20
1113	100	9.74
1114	100	12.20
1115	100	9.74
1116	100	12.20
1117	100	9.74
1118	100	12.20
1119	100	9.74
1120	100	12.20
1121	100	9.74
1122	100	12.20
1123	100	9.74
1124	100	12.20
1125	100	9.74
1126	100	12.20
1127	100	9.74
1128	100	12.20
1129	100	9.74
1130	100	12.20
1131	100	9.74
1132	100	12.20
1133	100	9.74
1134	100	12.20
1135	100	9.74
1136	100	12.20
1137	100	9.74
1138	100	12.20
1139	100	9.74
1140	100	12.20
1141	100	9.74
1142	100	12.20
1143	100	9.74
1144	100	12.20
1145	100	9.74
1146	100	12.20
1147	100	9.74
1148	100	12.20
1149	100	9.74
1150	100	12.20
1151	100	9.74
1152	100	12.20
1153	100	9.74
1154	100	12.20
1155	100	9.74
1156	100	12.20
1157	100	9.74
1158	100	12.20
1159	100	9.74
1160	100	12.20
1161	100	9.74
1162	100	12.20
1163	100	9.74
1164	100	12.20
1165	100	9.74
1166	100	12.20
1167	100	9.74
1168	100	12.20
1169	100	9.74
1170	100	12.20
1171	100	9.74
1172	100	12.20
1173	100	9.74
1174	100	12.20
1175	100	9.74
1176	100	12.20
1177	100	9.74
1178	100	12.20
1179	100	9.74
1180	100	12.20
1181	100	9.74
1182	100	12.20
1183	100	9.74
1184	100	12.20
1185	100	9.74
1186	100	12.20
1187	100	9.74
1188	100	12.20
1189	100	9.74
1190	100	12.20
1191	100	9.74
1192	100	12.20
1193	100	9.74
1194	100	12.20
1195	100	9.74
1196	100	12.20
1197	100	9.74
1198	100	12.20
1199	100	9.74
1200	100	12.20
1201	100	9.74
1202	100	12.20
1203	100	9.74
1204	100	12.20
1205	100	9.74
1206	100	12.20
1207	100	9.74
1208	100	12.20
1209	100	9.74
1210	100	12.20
1211	100	9.74
1212	100	12.20
1213	100	9.74
1214	100	12.20
1215	100	9.74
1216	100	12.20
1217	100	9.74
1218	100	12.20
1219	100	9.74
1220	100	12.20
1221	100	9.74
1222	100	12.20
1223	100	9.74
1224	100	12.20
1225	100	9.74
1226	100	12.2

INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Continued

OIL AND GAS—Continued

The Japanese bank that helps you grow

SAITAMA BANK
 Tokyo Int'l Dept., & Foreign Business Dept.
 Tel. (03) 211-2111
 London Branch: Tel. (01) 248-9421
 Saitama Bank (Europe) S.A.
 Tel. (02) 230-8100

MINES—Continued

Central African

Stock

Price

Div.

Yield

P/E

PE

T.M.

P.M.

Thursday May 27 1982

U.S. to sell Israel more F-16s

BY ANATOLE KALETSKY IN WASHINGTON AND DAVID LENNON IN TEL AVIV

THE U.S. intends to sell to Israel an additional 75 advanced F-16 jet fighters costing \$2.5bn over the next three years, Pentagon officials said yesterday.

The Reagan Administration told Congress privately about its intentions on Monday, just before Mr Ariel Sharon, the Israeli Defence Minister, arrived in Washington for talks with the Pentagon and the State Department.

The announcement of the sale came before a speech by Mr Alexander Haig, the Secretary of State, due in Chicago later in the day. He was expected to stress Washington's intention to promote as speedily as possible talks between Israel and Egypt on autonomy for the Palestinians living in Israel, the Sinai having been handed back to Egypt by Israel

last month.

The U.S., the third party to the Camp David peace accord on the Middle East, is thought to be concerned that such talks might be held up by the Israeli refusal to hold them outside Jerusalem.

The addition of 75 new F-16s to the 75 similar aircraft Israel received under a deal announced in 1978 is bound to cause concern among its Arab neighbours, since the F-16 is the most advanced fighter of its kind available.

An allegation this year that Mr Caspar Weinberger, the U.S. Defence Secretary, had hinted that Jordan might be allowed to buy F-16s produced a storm of protest from Israel and was rapidly denied by the Reagan Administration.

Israel's objections to sales of advanced arms to Arab states

were among the main topics discussed by Mr Sharon and the U.S. Secretaries of State and Defence on Tuesday. But Mr Haig also spent two hours that day talking to Crown Prince Hassan of Jordan, who stressed the danger Jordan faced from Syria as well as Israel. He is believed to have received a sympathetic hearing.

The sale of F-16s, manufactured by General Dynamics, would indicate that Washington is keen to reassure Jerusalem that its commitment to Israeli security remains unchanged, and that proposed arms sales to Jordan are not intended to lessen Israeli military superiority in the region.

Mr Menachem Begin, the Israeli Prime Minister, began to accuse Washington of only paying "lip service" to the issue of maintaining Israel's military

edge over its neighbours, while it was selling advanced weapons to Israel's enemies, including Saudi Arabia and Jordan.

It is understood that Mr Sharon, in his talks with Mr Weinberger, did not raise the memorandum of understanding on strategic co-operation, which Israel and the U.S. signed in November, but which was suspended two weeks later when Israel annexed the Golan Heights. The U.S. has no plans to revive this understanding unless Israel were to raise the issue, according to Government officials in Washington. However, several main components of the understanding, including co-operation between the two countries on arms manufacture and procurement are expected to go ahead.

Swiss to buy Israeli arms, Page 6

W. German N-reactor plan near collapse

By Kevin Done in Frankfurt

WEST GERMANY'S ambitions development programme for a high-temperature, gas-cooled, nuclear reactor is near financial collapse.

The reactor is one of two advanced prototype reactors in West Germany, largely funded by the federal Government.

Herr Andreas von Bulow, the Research Minister, yesterday informed the Cabinet in Bonn that there was little chance of saving the high-temperature reactor development programme.

The programme, undertaken in the early 1970s to give West Germany cheaper nuclear energy than that supplied by existing nuclear reactors, has been subject to long delays and rapidly-rising costs.

The Research Ministry said of the high-temperature prototype yesterday: "The project is very seriously endangered. There is very little hope."

At the centre of the problem is the need to raise another DM 1.1bn (£261m) to develop the 300 Mw reactor. About DM 1.7bn has already been spent on the project. The cost of abandoning construction is put at DM 2bn.

The project is being built at Schmelzhausen, near Darmstadt, by a consortium led by Brown Boveri.

West German utilities, in financial stress due to a fall in national energy use, have been reluctant to take part.

The Cabinet has given the Research Minister a week to come up with a timetable for further talks with industry. The project has a deadline of June 30, by which time funds will have run out.

A fall in construction would be a blow to development of new nuclear technology in West Germany. The country has been pursuing two lines of reactor development: the high-temperature and the fast-breeder. The prototype of the latter is under construction at Kalkar.

The fast-breeder project was saved only recently from collapse, when the electricity supply industry agreed to inject an extra DM 1bn into the scheme to cover extra costs.

The high-temperature reactor has had no such financial help from the private sector. Latest estimates suggest it will cost at least another DM 4.1bn to finish with construction likely to last a further 3-4 months.

Previous best estimates had put the costs at DM 3bn, of which DM 1.7bn was coming from the Federal Government, DM 300m from the state of North Rhine-Westphalia, DM 510m in state-guaranteed loans, DM 130m from the builders, DM 90m from the operators (led by VEW of Dortmund) and DM 270m in investment grants.

Monopolies Commission calls for halt to car part sales system

BY JOHN GRIFFITHS

THE EXCLUSIVE franchise system for selling replacement car parts in the UK is against the public interest and should be halted, the Monopolies and Mergers Commission said yesterday.

In an 86-page report prepared over the past 18 months, it concluded that the system, under which dealers can buy spares only from the manufacturers from whom they hold their franchises:

- Unjustifiably restricted the extent to which component makers could compete with each other and with car makers and importers:

- Led to higher prices than necessary through restricting competition;

- Prejudiced the level of service from which the franchised sector of the market could benefit;

- Restricted competition among motor factors, which if removed could have price benefits in the replacement parts market.

It found a complex monopoly existed involving 22 car manufacturers who together supplied at least a quarter of UK replace-

ment car parts. All the volume manufacturers and the majority of importers are implicated.

The franchise system accounts for nearly 40 per cent of replacement part sales in the UK, which are said to have been worth a total of £1.48bn in 1980.

The report is likely to be welcomed by the UK components industry, which has suffered both from a decline in UK car production and the growth of imports to the point where they now account for more than 55 per cent of new cars sold.

Manufacturers and importers put up a wide array of arguments in favour of maintaining exclusive supply arrangements. They said that to end them would risk opening up the market to sub-standard components. In addition, they claim that to allow outside suppliers to tap the profitable market for fast-moving spares while the car companies were required also to provide unprofitable slow-moving parts was unfair and could lead to increased prices.

The Commission concluded, however, that these arguments were mostly invalid. More than

half of car spares were still sold outside the franchised sector, and it had no reason to believe that vehicle safety had been seriously prejudiced to date.

In the case of slow-moving spares, competitive commercial pressures would require car companies to maintain adequate stocks.

It will be up to the Director of Fair Trading to implement the report's conclusion and recommendations.

Component-makers are likely

to press for early action, but the process may take some months and will involve further negotiations with manufacturers, whose dealer agreements would have to be partially rewritten. As a last resort, the Trade Secretary could enforce the recommendations.

The report was being studied closely by the industry last night. The Society of Motor Manufacturers and Traders said it was too early to comment on the findings. Ford expressed concern at the conclusions but said that "we cannot prejudge what action we might take."

Continued from Page 1

Task force losses mount

warships, including the aircraft carrier Hermes.

Mr Nott told the Commons yesterday that there had been a "great increase in military activity" in the last 24 hours. But the details he, and later the Defence Ministry, gave appeared to relate to engagements which had taken place on Tuesday or before.

The only comment Mr Nott made about activities in the South Atlantic yesterday was to note that the blockade of the Falklands was being maintained by the task force.

He referred, however, to renewed bombing attacks by British Harriers on Port Stanley airport and it was not immediately clear last night whether this new action, or whether it referred to Tuesday's raids on the same target.

Mr Nott confirmed that reinforcement warships were already with the force and for the first time gave a figure. He said that ten had arrived in the last few days, but did not name them.

He repeated that the task force now comprised about 100 ships and 25,000 men and women. He did not give details but there are also believed to be about 20 Royal Fleet Auxiliary vessels and some 50-60 commercial merchant vessels, including tankers.

Mr Nott also confirmed that two Royal Fleet Auxiliary support vessels had been damaged at the weekend but said that five other supply ships had safely left the Port San Carlos and the British bridgehead there during Tuesday night.

Mr Nott put a brave face on

yesterday's losses. While deeply regretting the loss of life and the loss of the ships, he said the task force's objective remained to repossess the Falkland Islands for democracy.

The objective was still Port Stanley, the capital and more casualties must be expected, Mr Nott added.

However, the losses appear once again to highlight a key weakness in the present composition of the task force—its failure to establish, in the face of much greater Argentine numbers, air superiority over the Falklands.

Without such superiority, a land attack on Port Stanley could be difficult. In the view of some experts last night, many of the air attacks might have been avoided if the force had been given warning of the Argentine air attacks when the aircraft left their bases in Argentina several hundred miles away.

However, Britain has no aircraft capable of providing this type of early warning since its specially equipped Nimrods will not be in service until next year. Those Nimrods currently based on Ascension Island are capable of maritime reconnaissance only.

Jimmy Burns reports from Buenos Aires: The Argentine military believes that Tuesday's successful attack on British task force vessels is the most encouraging sign to date that the Argentine Air Force is managing to get through British radar and missile systems and any significant air cover that can be provided by British Harrier jets.

This optimism, however, is tempered by concern over the losses being suffered by the Argentine Air Force. Officials have admitted publicly to the loss of 17 aircraft, but independent military observers in Buenos Aires believe the number lost is probably double this number, and less than the figure put out by the British Ministry of Defence.

Argentine military officials privately admit that Argentine cannot sustain her war effort at present levels for very much longer, and that she will soon be forced to seek outside assistance to bolster her counter-offensive. However, there is confidence that Argentina will get the assistance she wants.

The Argentine Chief of Staff, speaking of the attack on the Atlantic Conveyor, said the British ship was sailing 150 miles north-east of the main bulk of the task force, and was carrying "indefinite numbers" of Sea Harrier jets.

No final decision on privatisation has been made and BR was stressing yesterday that any judgment would be affected by the board's financial forecast this year. These are heavily dependent on the outcome of tomorrow's meeting with the Railway Staffs National Council which will consider pay and flexible rostering.

Mr Tee said that BTH had been starved of capital for quite understandable reasons. But given commercial freedom and strategic investment the hotels could be run profitably.

British Rail is expected to show a deficit of £165m this year.

The management of BTH expects British Rail to continue with the disposal programme. It is likely that BTH, however,

will be sold either to its management or to another, separate, private concern.

Keinwirt Benson is preparing to start sounding out support in the City for a buy-out.

The success of the approach will depend on how its proposals and, especially the projected payment, stand up against competing bids.

Mr Tee said that BTH had been starved of capital for quite understandable reasons. But given commercial freedom and strategic investment the hotels could be run profitably.

BTH recorded a surplus of £2.1m last year but this included profits on the sale of three hotels in Scotland.

The Gleneagles chain of BTH hotels has already been sold.

By-election defeat is blow to Haughey

By Brendan Keenan in Dublin

THE prospect of another Irish general election rose sharply yesterday when the Flaminio Fail party of Mr Charles Haughey, the Prime Minister, failed to gain the seat in the by-election in Dublin West.

The failure of Mrs Eileen Lemass, a sister-in-law of the Prime Minister, is a serious reverse for Mr Haughey. The vacancy comes through what most people saw as a brilliant move by the Pm in persuading Mr Richard Burke, an opposition MP, to become Ireland's new EEC Commissioner.

The victory of Mr Liam Sheely, the opposition Fine Gael candidate, means Mr Haughey's minority Government still needs the support of at least one of the left-wing MPs in the Dail to gain a majority.

The Government is in no immediate danger but, with another tough Budget probable in January, Mr Haughey must be considering the possibility of trying to capitalise on opposition disarray by calling an early election.

However, none of the parties wants to go to the country again, and it is quite possible that the result in any case would be yet another hung Dail.

The by-election result was a boost for Dr Garret Fitzgerald, the Opposition leader, who, in spite of the humiliating circumstances of his government's fall in January, is clearly still riding high with the electorate.

He described the result as a damning indictment of the Government after such a short term in office. Mr Haughey, however, said the position was just as it had been after the general election.

• The by-election was the first test for Mr Haughey's stance on the Falklands crisis.

The issue appears to have played only a minor part in swaying voters but some politicians thought it could have counted against the Government in some vital sections of the constituency.

Cut-price ferry for Isle of Man

MOTORISTS TAKING early season holidays by Sealink to the Isle of Man will get a return car journey for the price of a single if they travel outwards from Heysham between June 10 and July 9.

The usual Sealink fare for cars is £30 single — £35 for a return car journey for the price of a single if they travel outwards from Heysham between June 10 and July 9.

The deal is part of a comprehensive range of special offers and packages available using Sealink's Isle of Man service. Mr George Hullah, Sealink's commercial manager, said: "This offer will encourage holidaymakers to take an early break when accommodation is less heavily booked and the island is at its best."

Air Force officials point out in addition that much of the damage inflicted so far has been in poor visibility which, according to one officer, would have made an attack "inconceivable" in the opinion of most air forces.

This optimism, however, is tempered by concern over the losses being suffered by the Argentine Air Force. Officials have admitted publicly to the loss of 17 aircraft, but independent military observers in Buenos Aires believe the number lost is probably double this number, and less than the figure put out by the British Ministry of Defence.

Argentine military officials privately admit that Argentina cannot sustain her war effort at present levels for very much longer, and that she will soon be forced to seek outside assistance to bolster her counter-offensive. However, there is confidence that Argentina will get the assistance she wants.

The Argentine Chief of Staff, speaking of the attack on the Atlantic Conveyor, said the British ship was sailing 150 miles north-east of the main bulk of the task force, and was carrying "indefinite numbers" of Sea Harrier jets.

No final decision on privatisation has been made and BR was stressing yesterday that any judgment would be affected by the board's financial forecast this year.

The success of the approach will depend on how its proposals and, especially the projected payment, stand up against competing bids.

Mr Tee said that BTH had been starved of capital for quite understandable reasons. But given commercial freedom and strategic investment the hotels could be run profitably.

BTH recorded a surplus of £2.1m last year but this included profits on the sale of three hotels in Scotland.

The Gleneagles chain of BTH hotels has already been sold.

The management of BTH expects British Rail to continue with the disposal programme. It is likely that BTH, however,

THE LEX COLUMN

No time for a CCA schism

Index unchanged 580.8

PENCE

TATE & LYLE

SHARE PRICE

monthly averages

200

180

160

140

120

100

80